Board of Directors

Meeting Date

June 25, 2021

Board of Directors

75 Charter Oak Avenue, Suite 1 - 103, Hartford, CT 06106
T 860.563.0015
ctgreenbank.com

CONNECTICUT
GREEN BANK

June 18, 2021

Dear Connecticut Green Bank Board of Directors:

Happy Juneteenth!

We have a meeting of the Board of Directors scheduled for **Friday, June 25, 2021 from 9:00–11:00 a.m.**

Although we are getting closer to being back to normal (somewhat), and eventually meeting in person (for those who are able) at our new headquarters in Hartford, please take note that this will be an online meeting only.

For the agenda, we have the following:

- **Consent Agenda** – we have approval of Meeting Minutes for April 23, 2021, an amendment to PSA 5574 with Inclusive Prosperity Capital ("IPC") to allocate DOE grant funds, and an update on progress to targets through Q3 for IPC.

- **Legislative Session** – we had a very successful 2021 legislative session that we would like to provide a review on, including, but certainly not limited to, the expansion of our scope beyond "clean energy" to include "environmental infrastructure".

- **Committee Recommendations** – the Audit, Compliance, and Governance Committee ("ACG Committee") and the Budget, Operations and Compensation Committee ("BOC Committee") will jointly recommend support for a tuition reimbursement benefit. And the BOC Committee will recommend the approval of FY22 targets, budget, and investments, along with an extension to the Professional Services Agreements ("PSAs") and modifications to the Memorandum of Understanding ("MOU") between the Green Bank and Inclusive Prosperity Capital ("IPC"). I would strongly suggest that you review the attached memo on the Sustainability Plan Update for the Green Bank, as it provides an in-depth look at the steady progress we have made as an organization to the Sustainability Plan supported by the Board in December of 2017.

- **Investment Updates and Recommendations** – we have a number of items including a renewal of our short-term line of credit with Amalgamated Bank, proposed revisions to our Skyview Facility for solar PPA projects, and strategic selection for our consultant assisting us with our carbon offset project.

- **Executive Session** – we have made progress advancing our mixed-use residential and commercial major renovation, including small hydro and energy efficiency financed through C-PACE, in collaboration with the Department of Housing. We want to get this project across the finish line and request an additional investment. The meeting materials are still be prepared and we will send them out by the close of business on Tuesday, June 22, 2021.

If you have any questions, comments or concerns, please feel free to contact me at any time.

Until then, enjoy the Father's Day weekend.

Sincerely,

Bryan Garcia
President and CEO

AGENDA

Board of Directors of the
Connecticut Green Bank
845 Brook Street
Rocky Hill, CT 06067

Friday, June 25, 2021
9:00 a.m.– 11:00 a.m.

Dial (646) 749-3122
Access Code: 915-010-733

Staff Invited: Sergio Carrillo, Mackey Dykes, Brian Farnen, Bryan Garcia, Bert Hunter, Jane Murphy, Selya Price, and Eric Shrago

1. Call to order

2. Public Comments – 5 minutes

3. Consent Agenda – 5 minutes

4. 2021 Legislative Session in Review – 10 minutes

5. Committee Recommendations and Updates – 60 minutes

    a. Budget, Operations, and Compensation Committee and the Audit, Compliance, and Governance Committee – 15 minutes

        i. Tuition Reimbursement Benefit

    b. Budget and Operations Committee – 45 minutes

        i. Proposed FY 2022 Targets, Budget, and Investments
        ii. Sustainability Plan Update – Request to Extend PSAs and Modify MOU with Inclusive Prosperity Capital

6. Investment Updates and Recommendations –25 minutes

    a. Amalgamated Short Term Line of Credit Annual Renewal
    b. Skyview Facility
    c. EV Recharging Station Carbon Offsets – Strategic Environmental Consultants Strategic Selection

7. Executive Session – Cargill Falls – 15 minutes

8. Adjourn

Join the meeting online at https://global.gotomeeting.com/join/915010733

Or call in using your telephone:
Dial (646) 749-3122
Access Code: 915-010-733

Next Regular Meeting: Friday, July 23, 2021 from 9:00-11:00 a.m.
Colonel Albert Pope Room at the
Connecticut Green Bank, 75 Charter Oak Avenue, Hartford

RESOLUTIONS

Board of Directors of the
Connecticut Green Bank
845 Brook Street
Rocky Hill, CT 06067

Friday, June 25, 2021
9:00 a.m.– 11:00 a.m.

Dial (646) 749-3122
Access Code: 915-010-733

Staff Invited: Sergio Carrillo, Mackey Dykes, Brian Farnen, Bryan Garcia, Bert Hunter, Jane Murphy, Selya Price, and Eric Shrago

1. Call to order

2. Public Comments – 5 minutes

3. Consent Agenda – 5 minutes

Resolution #1

Motion to approve the meeting minutes of the Board of Directors for April 23, 2021.

Resolution #2

WHEREAS, the Connecticut Green Bank ("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, the Project requires the expertise of individuals with experience in the Connecticut Green Bank Model and specifically the Green Bank's LMI single-family 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 Inclusive Prosperity Capital, Inc (IPC) 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 Board of Directors approves Green Bank to amend Professional Service Agreement (PSA) 5574 with IPC as a strategic selection and award pursuant to the reasonings set forth in the memorandum to the Board dated June 25, 2021;

RESOLVED, that the President, Chief Investment Officer and 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 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 effect the above-mentioned legal instrument or instruments.

4. 2021 Legislative Session in Review – 10 minutes

5. Committee Recommendations and Updates – 60 minutes

   a. Budget, Operations, and Compensation Committee and the Audit, Compliance, and Governance Committee – 15 minutes

      i. Tuition Reimbursement Benefit

<u>Resolution #3</u>

WHEREAS, pursuant to Section 5.2.1 of the Connecticut Green Bank (Green Bank) Bylaws, both the Budget, Operations and Compensation Committee and the Audit, Compliance, & Governance Committee are 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 Green Bank Budget, Operations, and Compensation Committee made a recommendation of approval to the Board at its May 12, 2021 meeting to approve the proposed revisions to the Tuition Reimbursement Policy consistent with this memorandum dated June 18, 2021;

WHEREAS, the Green Bank Audit, Compliance and Governance Committee made a recommendation of approval to the Board at its June 14, 2021 meeting to approve the proposed revisions to the Tuition Reimbursement Policy consistent with this memorandum dated June 18, 2021;

NOW, therefore be it:

RESOLVED, that the Board of Directors of the Green Bank approve of the revisions to the Tuition Reimbursement Policy in the Green Bank Employee Handbook consistent with this memorandum dated June 18, 2021.

   b. Budget and Operations Committee – 45 minutes

i. Proposed FY 2022 Targets, Budget, and Investments

Resolution #4

WHEREAS, Connecticut Green Bank (Green Bank) staff have reviewed with the Budget, Operations, & Compensation (BOC) Committee the Fiscal Year 2020 Targets and Budget; and

WHEREAS, the Budget, Operations, and Compensation Committee discussed staff entering into new or extending existing professional services agreements (PSAs) with the following, contingent upon a competitive bid process having occurred in the last three years (except Sustainable Connecticut, Sustainable Environmental Associates, and Inclusive Prosperity Capital):

I. Adnet Technologies, LLC
II. AlsoEnergy LLC
III. Alter Domus (formerly Cortland)
IV. Clean Power Research, LLC
V. CliftonLarsonAllen
VI. CSW, LLC.
VII. C-TEC Solar, LLC
VIII. DNV GL USA Inc. (includes what was formerly ERS)
IX. Environmental Control, Inc., d.b.a ENCON
X. Guidehouse (a.k.a. Navigant)
XI. Inclusive Prosperity Capital
XII. Stark Raving LLC (d/b/a Stark / Raving Branding + Digital Marketing)
XIII. Strategic Environmental Associates
XIV. Sustainable CT

For fiscal year 2022 with the amounts of each PSA not to exceed the applicable approved budget line item

NOW, therefore be it:

RESOLVED, that Green Bank Board of Directors hereby approves: (1) the FY 2022 Targets and Budget, and (2) the PSAs with the 14 strategic partners listed above; and.

RESOLVED, the Green Bank Board of Directors authorizes and empowers the proper Green Bank officers to do all other acts and execute and deliver all other documents and instruments as they shall deem necessary and desirable to execute extensions and/or modifications to the agreements with Inclusive Prosperity Capital.

ii. Sustainability Plan Update – Request to Extend PSAs and Modify MOU with Inclusive Prosperity Capital

Resolution #5

RESOLVED, that the Board of Directors ("Board") of the Connecticut Green Bank ("Green Bank") hereby approve of the modification and extension of the four Professional Service Agreements and the Memorandum of Understanding dated August 3, 2018 between the Green Bank and Inclusive Prosperity Capital, Inc. ("IPC") as described in the Memorandum to the Board dated June 18, 2021 (the "Memorandum") 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 partnership between the Green Bank and IPC; 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 these resolutions.

6. Investment Updates and Recommendations –25 minutes

   a. Amalgamated Short Term Line of Credit Annual Renewal

<u>Resolution #6</u>

WHEREAS, the selection of Amalgamated Bank ("Amalgamated") as the provider of an existing secured revolving line of credit in the amount of $5,000,000 ("Original Revolving Credit Facility") followed the completion of a Request for Proposals ("RFP") process in accordance with the Connecticut Green Bank ("Green Bank") operating procedures that closed October 19, 2018 and was approved by the Green Bank Board of Directors ("Board") at a meeting held December 14, 2018;

WHEREAS, the Original Revolving Credit Facility was renewed by Amalgamated in 2020 and approved by the Board at a meeting held June 26, 2020;

WHEREAS, Green Bank staff has submitted to the Board a proposal for Green Bank to enter into an agreement with Amalgamated Bank ("Amalgamated") to amend the Original Revolving Credit Facility in the revised amount of $3,500,000 ("Amended Revolving Credit Facility") whereby the Amended Revolving Credit Facility would continue to be used in order to meet Green Bank's short-term liquidity and working capital needs; and

WHEREAS, along with a general repayment obligation by Green Bank, Amalgamated would continue to be secured by a Guaranty of two subsidiaries: CT Solar Lease 1 LLC and CT Solar Loan 1 LLC (the "Guarantees"), as well as first priority security interest in, and an absolute assignment of all cash flows associated with, the CT Solar Lease 1 Notes portfolio and the CT Solar Loan 1 Notes portfolio (the "Collateral"); and

WHEREAS, Green Bank staff recommends that the Board approve the proposed Amended Revolving Credit Facility, generally in accordance with the memorandum presented to the Board, dated June 18, 2021.

NOW, therefore be it:

RESOLVED, that the Board approves Green Bank to enter into the Amended Revolving Credit Facility with Amalgamated, to issue the Guarantees and pledge the Collateral in a manner materially consistent with the memorandum presented to the Board dated June 18, 2021; and

RESOLVED, that the President, Chief Investment Officer and 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 Amended Revolving Credit Facility, the Guarantees and the Collateral 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 effect the above-mentioned legal instrument or instruments.

b. Skyview Facility

Resolution #7

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-based solar developer, Skyview Ventures LLC ("Skyview"), and through that relationship the Green Bank has an opportunity to deploy capital for the development of clean energy in Connecticut, and specifically toward commercial solar PPA projects developed by Skyview in Connecticut ("Skyview PPA Projects");

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;

WHEREAS, based on diligence of Green Bank staff for a senior secured loan facility ("Original Term Loan") 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 in an amount not to exceed $2.3M as a Strategic Selection and Award pursuant to the Green Bank Operating Procedures Section XII;

WHEREAS, the Board passed resolutions at its meeting held on March 25, 2020 to approve the Original Term Loan transaction in an amount not to exceed $2.3M 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 Original Term Loan transaction;

WHEREAS, the Board passed resolutions at its meeting held on April 24, 2020 to expand the Original Term Loan transaction to an amount not to exceed $3.5M (the "Modified Term Loan");

WHEREAS, the Board passed resolutions at its meeting held on October 23, 2020 to expand the Modified Term Loan transaction to an amount not to exceed $7M (the "Existing Term Loan"); and

WHEREAS, at its meeting held May 26, 2021, the Green Bank Deployment Committee recommended that the Board approve staff's request to amend and restate the Board's existing approval of the Existing Term Loan transaction on terms and conditions substantially consistent with those described in the memorandum presented to the Deployment Committee.

NOW, therefore be it:

RESOLVED, that the Board approves staff's request to amend and restate the Board's existing approval of the Existing Term Loan transaction as described in the memorandum submitted by the staff to the Board and dated June 18, 2021 (the "Memorandum") 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 Existing Term Loan transaction.

c. EV Recharging Station Carbon Offsets 0 Strategic Environmental Consultants Strategic Selection

<u>Resolution #8</u>

WHEREAS, the Connecticut Green Bank ("Green Bank") staff has submitted to the Green Bank Board of Directors (the "Board") a proposal to extend the professional services agreement with Strategic Environmental Associates ("SEA") in a not-to-exceed amount of $160,000 for program development purposes increase the effectiveness and likelihood of success for creating open market carbon offsets from electric vehicle ("EV") charging to support accelerated deployment of EV chargers;

WHEREAS, SEA satisfies all criteria of the Strategic Selection and Award process of Green Bank operating procedures, namely: (1) special capabilities, (2) uniqueness, (3) strategic selection, (4) multiphase, follow-on investment and (5) urgency and timeliness;

WHEREAS, this project has ingratiated the Green Bank into the international conversation on clean transportation, as a provider of valued, innovative solutions;

WHEREAS, Green Bank staff recommends that the Board approve a grant between the Green Bank and Sustainable CT, generally in accordance with memorandum summarizing this request to the Board dated June 18, 2021; and

NOW, therefore be it:

RESOLVED, that the Board approves Green Bank to extend the professional services agreement with SEA as a strategic selection;

RESOLVED, that the President, Chief Investment Officer and 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 personal services agreement 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 effect the above-mentioned legal instrument or instruments.

7. Executive Session – Cargill Falls – 15 minutes

8. Adjourn

Join the meeting online at https://global.gotomeeting.com/join/915010733

Or call in using your telephone:
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Access Code: 915-010-733

Next Regular Meeting: Friday, July 23, 2021 from 9:00-11:00 a.m.
Colonel Albert Pope Room at the
Connecticut Green Bank, 75 Charter Oak Avenue, Hartford

ANNOUNCEMENTS

- **Mute Microphone** – 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.

Board of Directors Meeting

June 25, 2021

Online Meeting

Board of Directors
Agenda Item #1
Call to Order

Board of Directors

Agenda Item #2

Public Comments

Board of Directors

Agenda Item #3

Consent Agenda

Consent Agenda
Resolutions #1 and #2

1. **<u>Meeting Minutes</u>** – approve meeting minutes of April 23, 2021

2. **<u>IPC PSA Amendment</u>** – allocate DOE grant funds through Clean Energy States Alliance (CESA) to IPC for non-CT work on bringing LMI solar financing models to scale

- **<u>Progress to Targets (IPC)</u>** – through Q3 of FY21 IPC making steady progress on targets

Board of Directors

Agenda Item #4

2021 Legislative Session in Review

Legislative Session in Review

Key Policies Relevant to Green Bank Mission

- **Environmental Infrastructure** (PA 21-115) – expands scope of Green Bank beyond "clean energy" to include "environmental infrastructure"; OPM on the BOD; augmented bonding, SCRF and SPV provisions; and expanded reporting to Banking and Environment committees
- **Energy Efficiency Retrofit Grant Program for Affordable Housing** (PA 21-48) – DEEP establish efficiency grant program; includes affordable multifamily dwelling as "residential customer" in tariffs (i.e., CGS 16-244z)
- **Energy Storage** (PA 21-53) – establishes 300 MW target by 2025 and 1,000 MW target by 2030; PURA establishes programs for customer and distribution-side systems; authorizes DEEP solicitations
- **Property Tax Exemption for Renewable Energy** (HB 6106) – clarifies intent of existing residential solar PV property tax exemption

Legislative Session in Review

Other Policies Passed

- **Just Transition and Community Development** (PA 21-43) – establishes workforce and community benefits requirements for certain large-scale renewables projects
- **Energy Conservation Management Board** (SB 856) – increase by two (2) members (i.e., low income residential and municipality)
- **Fuel Cell Procurement** (HB 6524) – utility solicitations for PURA approval, up to 30MW; landfill/brownfield preferences;
- **Electric Supplier Restrictions and PURA Oversight** (PA 21-117) – prohibits and voids existing variable rates starting 7/22
- **Anaerobic Digesters** (PA 21-16) – eases permitting on certain on-farm ADs; increases organics materials separation
- **Bottle Bill** (PA 21-58) – Revamps beverage container redemption law

Board of Directors

Agenda Item #5ai

ACG and BOC Committees

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 (bipartisan federal legislation signed by former President Trump) that allow employers to pay a portion of an employee's student debt without tax implications
- Inclusion in the CARES Act was advocated for by SHRM (considered the Industry org for HR)
- 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
- Recommended by BO&C and ACG committees
- Increases employee retention

Resolution #3

NOW, therefore be it:

RESOLVED, that the Board of Directors of the Green Bank approve of the revisions to the Tuition Reimbursement Policy in the Green Bank Employee Handbook consistent with this memorandum dated June 18, 2021.

Board of Directors

Agenda Item #5bi

BOC Committee

Proposed FY 2022 Targets, Budget, and Investments

Connecticut Green Bank

FY 2022 Targets – Incentive Programs

Segment	Program	Targets			
		Number of Projects	Total Capital Deployed	Capacity Installed	Estimated Total annual Emissions (tons)
Incentive Programs	Residential Solar	471	$13,680,000	4.0	7,049
	Battery Storage	362	11,750,000	5	0
	Smart-E	800	$11,200,000	0.8	15,168
	Low Income Loans/Leases (PosiGen)	96	$2,478,528	0.66	1,154
	Incentive Programs Total	1,633	$36,630,000	9.8	22,217

In FY 2022, the Connecticut Green Bank will support **$36.6 MM in investment** through Incentive Programs for **1,633 projects** that deploy **9.8 MW of clean energy** and **annually avoid 18,737-22,217 TCO_2**

Connecticut Green Bank

FY 2022 Targets – Financing Programs

Segment	Product	Targets			
		Number of Projects	Total Capital Deployed	Capacity Installed	Estimated Total annual Emissions (tons)
Financing Programs	CPACE	44	$23,260,000	6.5	11,493
	PPA	42	$25,557,000	13.4	23,053
	SBEA	818	$14,470,000	0.0	32,890
	Multi-Family Pre-Dev	0	$0	0.0	0
	Multi-Family Term	4	$650,000	0.2	282
	Multi-Family Health and Safety Total	2	$600,000	0.0	0
	Transportation	0	0	0	16,500
	Strategic Investments	0	$0	0.0	0
	Financing Programs Total	902	$ 61,992,000	19.1	83,017

In FY 2022, the Connecticut Green Bank will support **$61.9 MM in investment** through Financing Programs for **902 projects** that deploy **19.1 MW of clean energy** and **annually avoid 83,017 TCO_2**

Connecticut Green Bank

FY 2022 Budget

- **Revenues – Net YOY Increase of $2.99 Million**
  - Increased REC sales, interest income, & other income offset by decrease in Utility Customer Receipts. Majority of increase is from earned revenue
- **Operating Expenses – Net YOY Increase of $3.1 Million**
  - Increase in personnel opex of $1M ($235K for Merit from FY21, $81K for positions added in FY21, $158K for open and new positions (of which $125K is contingent))
  - Incentive Programs non-personnel opex growth driven by meter replacement; includes battery storage but budget will change depending on PURA order
  - Financing Programs non-personnel opex growth driven by website rebuild, contractor engagement, growth of Solar MAP and other outreach efforts.
- **Program Incentives and Grants – Net YOY increase of $31K**
  - Increased numbers of RSIP systems means more incentives to be paid, but the peak of PBI payouts is over
- **Non-Operating Expenses – Net YOY decrease of $1.6 Million**
  - Decrease due to lower interest expense and provisions for loan losses here and no use ARRA funds.

Connecticut Green Bank

FY 2022 Investments

Programatic Lending				
Prg Name	Description	Interest Rate	Term in Years	FY22 Budget Total
Multifamily Pgms	C4C Lime facility draws	[redacted]	15	$ 200,000
CPACE	CGB Portfolio (Current/Future Pipeline)	[redacted]	17.5	$ 5,000,000
Solar PPA Development	PPA State	[redacted]	20	9,000,000
Solar PPA Development	PPA Municipality	[redacted]	20	2,347,200
New Product Dev.	PPA Developers	[redacted]	20	1,257,000
New Product Dev.	PPA Debt to 3rd parties	[redacted]	15	4,100,000
SBEA/BEA	Regular Loan Purchases	[redacted]	4	1,447,000
Multifamily Programs	PPA Multifamily	[redacted]	20	270,000
			Total Program Loans:	***$ 23,621,200***
Project Finance				
	Description	**Interest Rate**	**Term in Years**	**FY22 Budget Total**
	FuelCell Groton	[redacted]	10	3,200,000
	Unspecified	[redacted]	10	5,000,000
			Total Project Finance Loans:	***$ 8,200,000***
			Total of all Loans:	***$ 31,821,200***

Using CEF and RGGI Proceeds, along with cash on hand, we will **invest $31.8 MM** that will deliver **$13 MM in interest income over time** or a **weighted average return of 4.51% over 9 years** thereby exceeding our portfolio **target of 4% interest over an average 10-year term**

Resolution #4

NOW, therefore be it:

RESOLVED, that Green Bank Board of Directors hereby approves: (1) the FY 2022 Targets and Budget, and (2) the PSAs with the 14 strategic partners listed above; and.

RESOLVED, the Green Bank Board of Directors authorizes and empowers the proper Green Bank officers to do all other acts and execute and deliver all other documents and instruments as they shall deem necessary and desirable to execute extensions and/or modifications to the agreements with Inclusive Prosperity Capital.

Board of Directors

Agenda Item #5bii

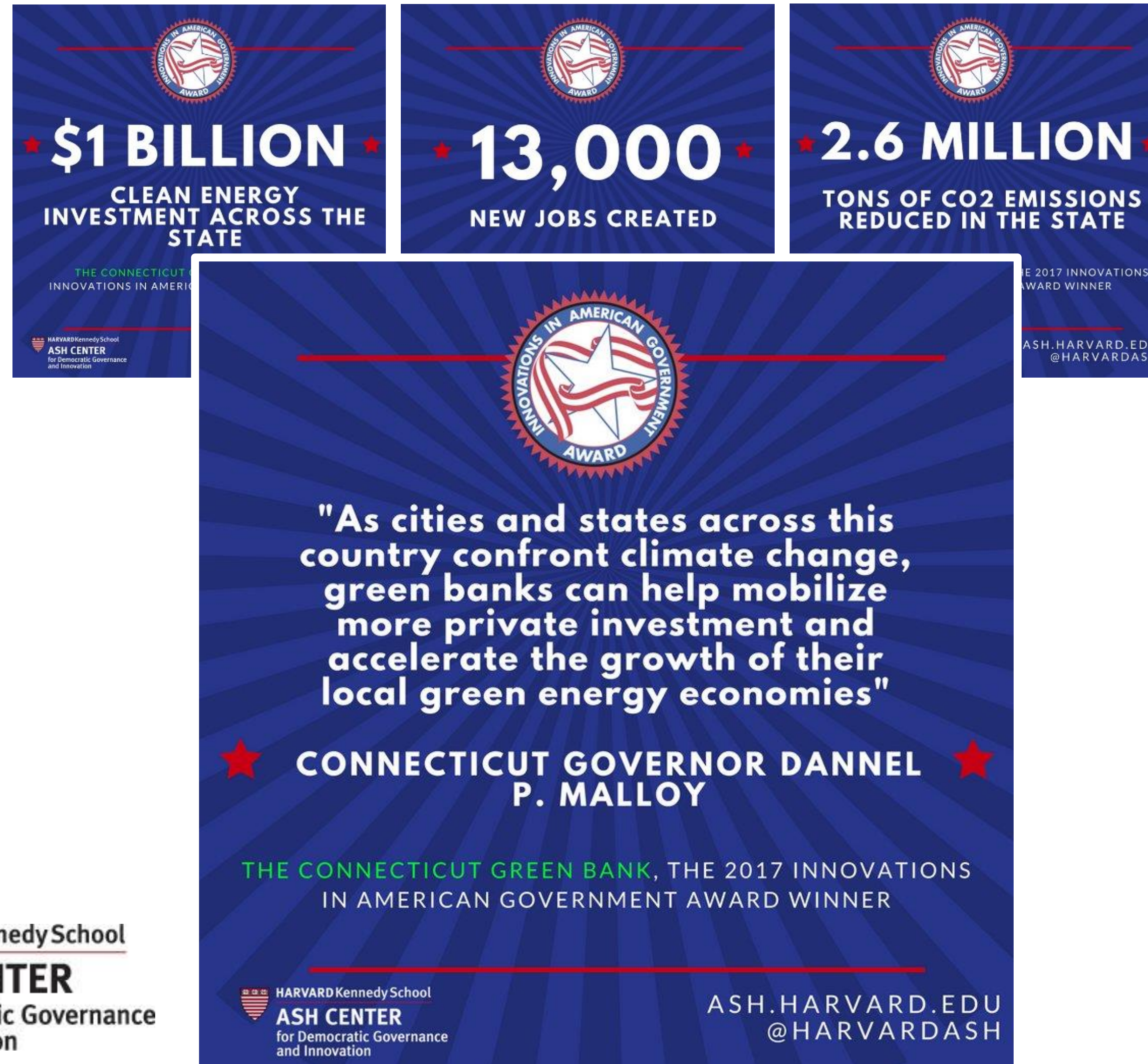
BOC Committee

Sustainability Plan Update – Request to Extend PSAs and Modify MOU with IPC

Connecticut Green Bank

Sparking the Green Bank Movement

HARVARD Kennedy School
ASH CENTER
for Democratic Governance and Innovation



Sustainability Plan

Progress Update (Memo of June 18, 2021)

- **Background** – October 17, 2017, CGA adopted budget sweeping $16.3 MM each year for FY18 and FY19 – more than 50% of public revenues. December 15, 2017, BOD approved Sustainability Plan to manage through sweeps and deliver on mission, including three (3) parts:

1. **Incentive Programs** – manage the cash flow demands on the organization for paying out incentives (i.e., EPBB and PBI) through the RSIP (i.e., CGS 16-245ff) by monetizing and securitizing SHRECs.
2. **Financing Programs** – reducing operating expenses (i.e., personnel and non-personnel), managing non-operating expenses (e.g., loan losses), and implementing an investment strategy that generates earned revenues (e.g., interest income) from a portfolio of investments that deliver an average 5% return over 10-year term to breakeven in 4 to 7 years.
3. **Nonprofit Organization** – cofound mission-aligned independent 501(c)3 nonprofit to transition staff, while delivering capital to underserved segments of the market.

Incentive Programs

Progress Update (Memo of June 18, 2021)

Tranche	# of Projects	Installed Capacity (kW)	SHREC Price ($/MWh)	Estimated 15-Year P90 SHREC Revenues ($MM's)	Estimated RSIP Incentives ($MM's)
1	6,796	49,200	$50	$33.9	$19.1
2	7,258	59,800	$49	$40.5	$20.5
3	4,818	39,300	$48	$26.4	$11.9
4	6,956	59,400	$47	$38.9	$17.7
5	7,266	61,900	$35	$30.6	$16.2
6	3,711	31,500	TBD	TBD	$5.3
Total	**36,805**	**301,200**		**$170.3**	**$90.8**

Successfully monetized and securitized SHRECs to manage cash flow in near and mid-terms through funding warehouses and bond issuances to continue RSIP, while cost recovering all expenses over time

Financing Programs

Progress Update (Memo of June 18, 2021)

Expenses	FY17	FY18	FY19	FY20	FY21 YTD
PROpEx (personnel)	$6.7	$5.8	$5.6	$5.4	$5.5
TOpEx (including non-personnel)	$12.7	$11.0	$10.7	$10.6	$9.3
TEx (OpEx and non-operating)	$16.9	$12.1	$14.2	$15.9	$10.7
Pension and OPEB (POPEB)	$1.7	$3.4	$2.8	$3.7	TBD

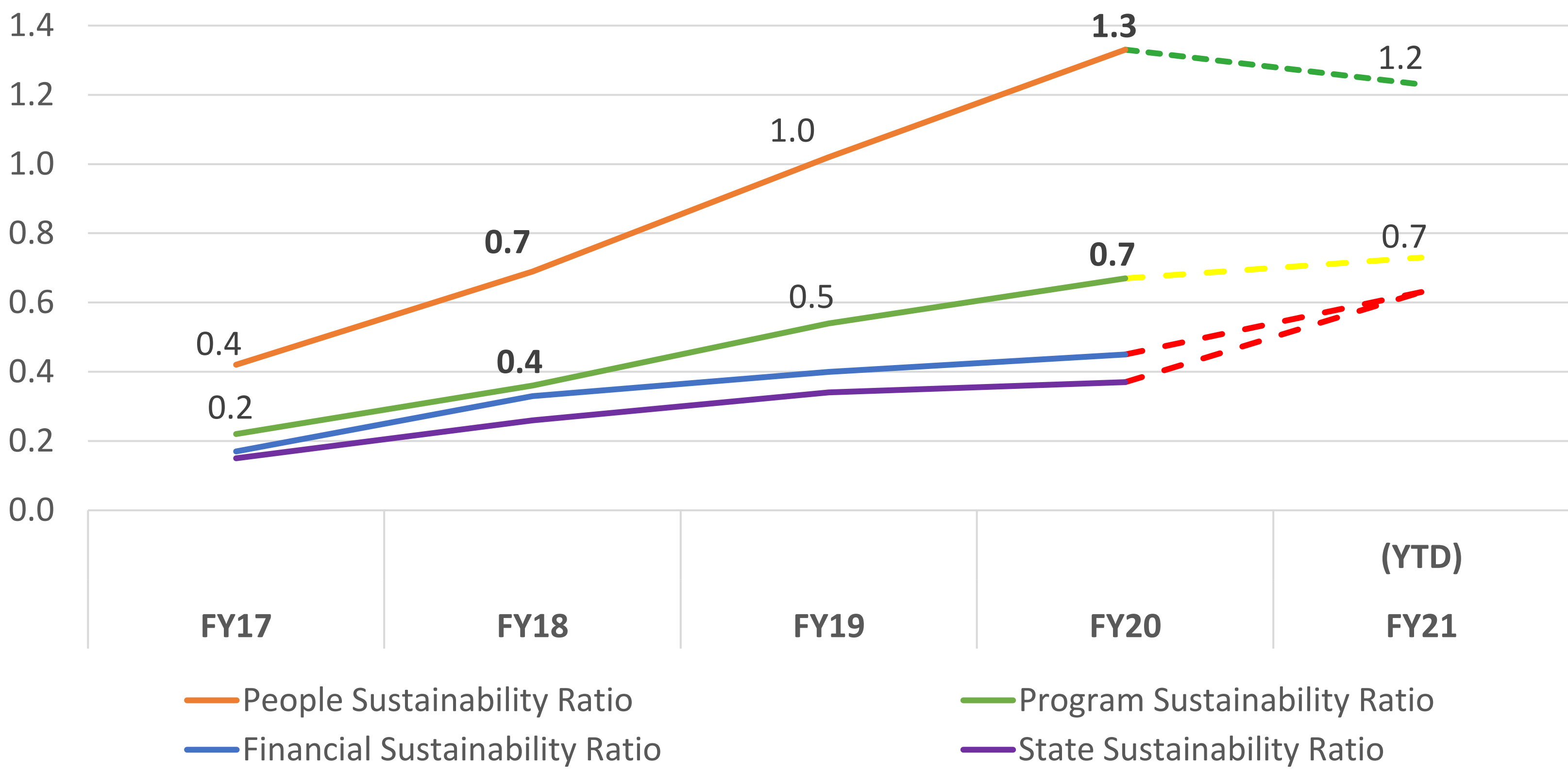
Reduced operating expenses (i.e., personnel and non-personnel), while managing non-operating expenses (e.g., provision for loan losses)

Earned Revenues	FY17	FY18	FY19	FY20	FY21 YTD
Earned Revenues	$2.8	$4.0	$5.8	$7.1	$6.8

Increase earned revenue (e.g., interest income, PPA income) by building portfolio of investments targeting average 5% return over 10-years

Sustainability Ratios

Progress Update (Memo of June 18, 2021)



People Sustainability Ratio is greater than 1.0, while Program, Financial, and State Sustainability Ratios are making steady progress

Nonprofit Organization

Progress Update (Memo of June 18, 2021)

- **Staff Transitions** – transitioned eight (8) staff members from Green Bank to jointly formed (including DEEP and Kresge Foundation) 501(c)3 nonprofit organization (i.e., Inclusive Prosperity Capital) reducing Green Bank operating expenses.

- **Supporting Mission** – through four (4) PSA's IPC is supporting the mission of the Green Bank in meeting its impact targets across several programs in underserved market segments (e.g., Smart-E Loan, Low-to-Moderate Income RSIP)

- **Attracting Mission Oriented Investors** – despite timing challenges on executing business plan resulting from loss of finance specialists and the COVID-19 pandemic, IPC has recently made extensive progress raising capital from foundations (e.g., MacArthur) and lenders (e.g., Amalgamated Bank)

25

Nonprofit Organization

Rationale for PSA Extensions and MOU Modification

	PSA Years	FY22	FY23	FY24	FY25	FY26
Original Plan	6	$0.683	$0.683	$0.683	-	-
Extension Request	8	$1.366	$1.366	$1.025	$0.683	$0.342
Variance	2	$0.683	$0.683	$0.342	$0.683	$0.342

- **Sustainability Progress** – Incentive and Financing Programs have made steady progress towards sustainability, Green Bank would be better served with IPC being sustainable as well (including former staff).
- **Strategic Importance to Our Mission** – IPC assists Green Bank in delivering measurable, including refocus on Solar PPA and affordable multifamily
- **Reallocation of Resources** – FY22 budget proposes reduction of $690,432 that would offset $683,110 in continuing support for IPC
- **Unique Circumstances** – early loss of leading finance specialist, along with getting investors comfortable with start-up nonprofit investment fund and global pandemic slowed down capital raise by two (2) years.
- **Special Capabilities** – former Green Bank employees with institutional knowledge of our programs and track record of success, they are a uniquely qualified partner to mission.

Resolution #5

RESOLVED, that the Board of Directors ("Board") of the Connecticut Green Bank ("Green Bank") hereby approve of the modification and extension of the four Professional Service Agreements and the Memorandum of Understanding dated August 3, 2018 between the Green Bank and Inclusive Prosperity Capital, Inc. ("IPC") as described in the Memorandum to the Board dated June 18, 2021 (the "Memorandum") 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 partnership between the Green Bank and IPC; 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 these resolutions.

Board of Directors

Agenda Item #6a

Investment Updates and Recommendations

Amalgamated Short Term Line of Credit

Annual Renewal

Amalgamated Line of Credit

Annual Renewal

- 1-year renewal of Line of Credit that was first arranged May 2019
- Maximum borrowing limit: $3,500,000, decreasing $300k quarterly
- Interest rate: [To Be Discussed]
- Front End Fee: [To Be Discussed]
- Unused Fee: [To Be Discussed]
- Collateral:
  - Absolute assignment of revenues associated with Solar Lease 1 Notes and Solar Loan 1 collateral
  - General repayment obligation of CGB
- Minimum 2.0x Debt Service Coverage Ratio, tested quarterly at borrower level (CGB)

Resolution #6

NOW, therefore be it:

RESOLVED, that the Board approves Green Bank to enter into the Amended Revolving Credit Facility with Amalgamated, to issue the Guarantees and pledge the Collateral in a manner materially consistent with the memorandum presented to the Board dated June 18, 2021; and

RESOLVED, that the President, Chief Investment Officer and 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 Amended Revolving Credit Facility, the Guarantees and the Collateral 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 effect the above-mentioned legal instrument or instruments.

Board of Directors
Agenda Item #6b
Investment Updates and Recommendations
Skyview Facility

Skyview Facility Amendment

Background and rationale

- **<u>Background</u>**– $7M senior secured term loan facility with a special purpose vehicle ("SPV") 100% owned by Skyview Ventures LLC
  - SPV develops commercial solar power purchase agreement projects in CT
  - $3.5M deployed to date; 26 projects financed
  - Strong portfolio performance (>90% production; no delinquencies)
- **<u>Why amend?</u>**– debt market has softened since late 2017; w/o adjustment CGB-backed PPAs less competitive; want to invigorate market and ensure take-up of this strong product; CGB sustainability

Skyview Facility Amendment

Overview of changes

	Existing	Proposed amendment
Interest rate	5.50% across the board	Dependent on off-taker: - **State**: 3.00% (***already in place for our State projects w/DEEP***) - **Municipal**: 3.75% for issuers of investment grade debt; between 3.75% and 4.50% otherwise, dependent on financial underwriting of municipality (***lower priced debt already in place with some Solar MAP projects***) - **Affordable housing**: 4.25% - **Other**: 4.50%
Term length	15 years	Up to 25 years (identical to maximum C-PACE term; not to exceed the remaining PPA term length of underlying project(s))
Debt service coverage ratio	No lower than 1.30x	No lower than 1.30x (no change)
Advance Rate	Up to 70%	Up to 75% (lower interest rate allows for slight bump in leverage)

Resolution #7

NOW, therefore be it:

RESOLVED, that the Board approves staff's request to amend and restate the Board's existing approval of the Existing Term Loan transaction as described in the memorandum submitted by the staff to the Board and dated June 18, 2021 (the "Memorandum") 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 Existing Term Loan transaction.

Board of Directors

Agenda Item #6c

Investment Updates and Recommendations

EV Recharging Station Carbon Offsets – Strategic Environmental Consultants

Strategic Selection

EV Charger Offsets
Background and Rationale

- **<u>Environmental Infrastructure</u>** – 2021 transaction an early use of "carbon offsets" statutory permission, with "clean energy"

- **<u>Scale Potential</u>** – Identified as unique/innovative opportunity for CGB participation in EV infrastructure market development, with future scale potential, early-mover status, rising prices

- **<u>Project Status</u>** –
  - First offset certification Fall 2021
  - 8-9 project partners
  - Larger pipeline of interested parties for 2022
  - Multiple referral agreements in place

Resolution #8

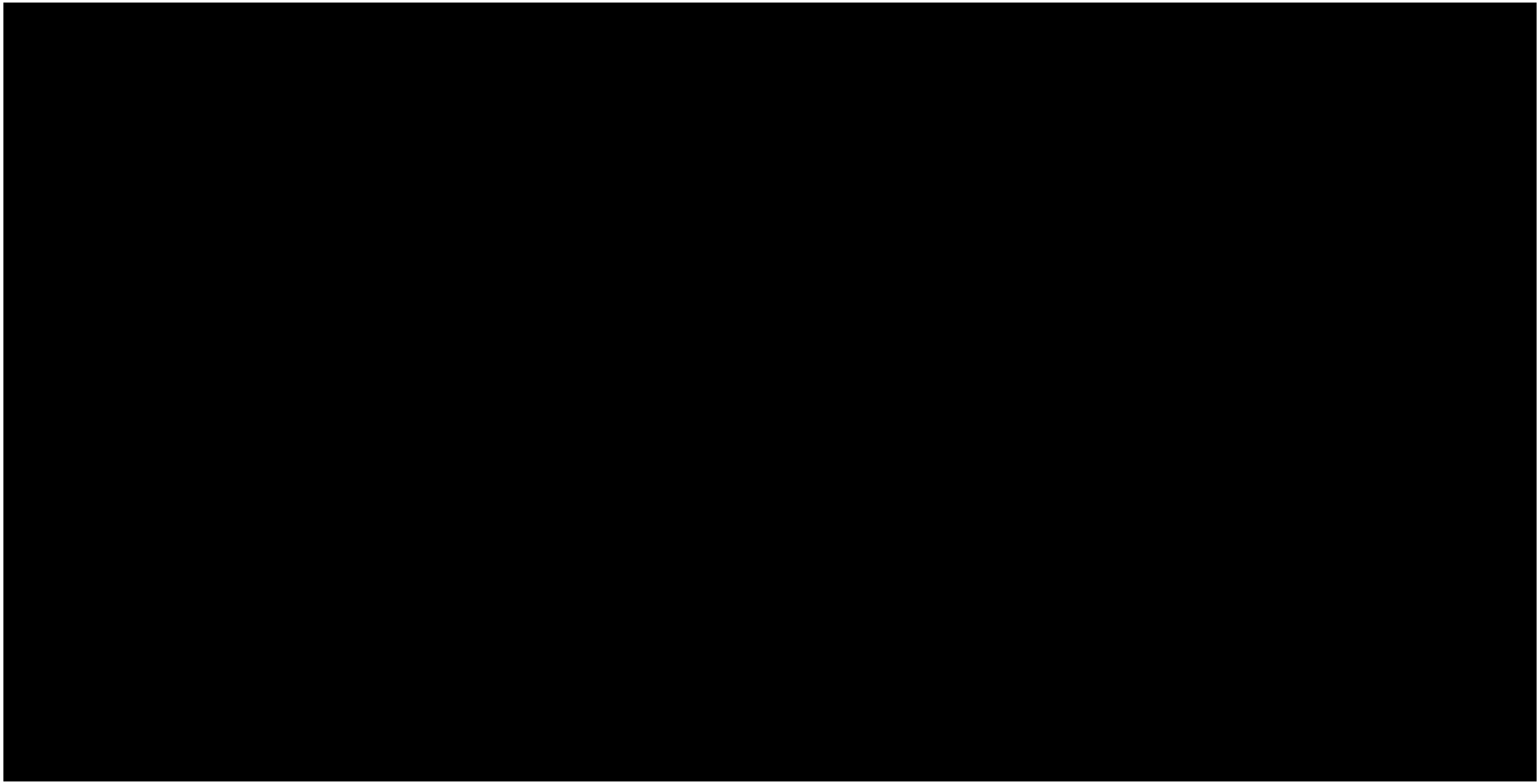
NOW, therefore be it:

RESOLVED, that the Board approves staff's request to amend and restate the Board's existing approval of the Existing Term Loan transaction as described in the memorandum submitted by the staff to the Board and dated June 18, 2021 (the "Memorandum") 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 Existing Term Loan transaction.

Board of Directors
Agenda Item #7

Executive Session
Confidential Matters Relating to Cargill Falls

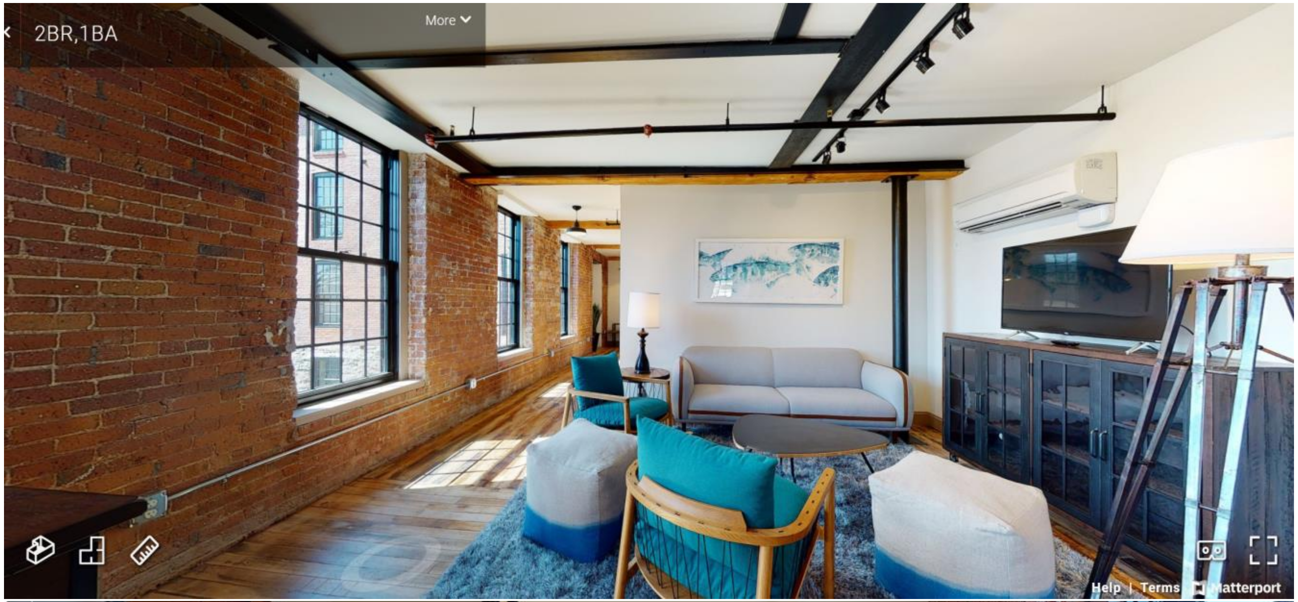
Historic Cargill Falls Mill Project Update



Historic Cargill Falls Mill

Historic Cargill Falls Mill

CONNECTICUT GREEN BANK



Historic Cargill Falls Mill

Historic Cargill Falls Mill Hydro Project Update

[redacted]

Historic Cargill Falls Mill Capital Stack Update

[redacted]

Historic Cargill Falls Mill Green Bank Loan Terms

[redacted]

Historic Cargill Falls Mill Green Bank Loan Terms

[redacted]

Board of Directors

Agenda Item #7

Executive Session

Confidential Matters Relating to Cargill Falls

Farewell
Board of Directors

Eric Brown
Minority Leader of the House
Rep. Themis Klarrides

Board of Directors

Agenda Item #8

Adjourn

BOARD OF DIRECTORS OF THE
CONNECTICUT GREEN BANK
Regular Meeting Minutes

Friday, April 23, 2021
9:00 a.m. – 11:00 a.m.

A regular meeting of the Board of Directors of the **Connecticut Green Bank (the "Green Bank")** was held on April 23, 2021.

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

Board Members Present: Binu Chandy, Thomas Flynn, John Harrity, Adrienne Houël, Michael Li, Steve Meier, Matthew Ranelli, Lonnie Reed

Board Members Absent: Eric Brown, Kevin Walsh, Brenda Watson

Staff Attending: David Beech, Sergio Carrillo, Shawne Cartelli, Mackey Dykes, Brian Farnen, Bryan Garcia, Bert Hunter, Jane Murphy, Selya Price, Cheryl Samuels, Ariel Schneider, Eric Shrago, Mike Yu, Nicholas Zuba

Others present: Giulia Bambara

1. Call to Order

- Lonnie Reed called the meeting to order at 9:02 am.

2. Public Comments

- No public comments.

3. Consent Agenda
a. Meeting Minutes of March 26, 2021 and April 6, 2021

Resolution #1

Motion to approve the meeting minutes of the Board of Directors for March 26, 2021 and April 6, 2021.

Upon a motion made by Binu Chandy and seconded by Steve Meier, the Board of Directors voted to approve Resolution 1. None opposed or abstained. Motion approved unanimously.

- Matthew Ranelli explained the reasoning behind the resolution praising the Green Bank staff for their hard work and dedication during the COVID-19 pandemic.

Resolution #2

WHEREAS, the COVID-19 Pandemic represents many new and novel challenges for all of the staff of the Connecticut Green Bank.

WHEREAS, challenges have included managing professional and personal obligations during a prolonged public health emergency while adapting to a fully remote work environment and navigating their own personal concerns for loved ones who may be vulnerable to the virus, pressure to care for children at home, and potential financial and health insecurity impacting them, their loved ones and their own families.

WHEREAS, the Green Bank staff responded to meet the needs of the Green Bank partners and stakeholders to help them maintain and advance clean energy projects across the State of Connecticut.

WHEREAS, the commitment of the staff and its dedication has continued to advance the Green Bank's mission to confront climate change and provide all of society a healthier and more prosperous future by increasing and accelerating the flow of private capital into markets that energize the green economy during these challenging times.

RESOLVED, that the Board of Directors:

(1) honors and recognizes the contributions of all Green Bank staff through the Pandemic; and
(2) reaffirms its admiration and appreciation for their hard work and dedication that has made the Green Bank a global leader in the fight against climate change.

Upon a motion made by Thomas Flynn and seconded by Binu Chandy, the Board of Directors voted to approve Resolution 2. None opposed or abstained. Motion approved unanimously.

4. Investment Updates and Recommendations
a. Green Liberty Bonds: Series 2021 (Update)

- Bert Hunter gave an update to the second Green Liberty Bonds issuance. It was very successful as the Green Bank was inundated with requests valuing just under $100 million, despite only having $24.8 million in bonds available, showing the serious interest in these bonds. Mike Yu continued that the market had slightly lower interest rates than initially presented which allowed more bonds to be issued at the same cost. There is also a wide array of interested investor types. Bert Hunter detailed the marketing campaign to raise public awareness and it shows that the extra efforts really paid off.
- Bert Hunter again explained the process by which revenue is generated to support the bonds which further supports the Green Bank's activities as well as the transaction parties involved.
  - Lonnie Reed asked if there is a percentage breakdown of in-state versus out-of-state buyers. Bert Hunter said yes, which Mike Yu further explained.

- Mike Yu further explained the details regarding the strong interest surrounding the bonds, including that many institutional buyers noted that they only showed interest due to the certification and awareness efforts put forth. The Green Bank achieved its goals for this bond issuance and interest was well beyond what was expected.

b. PosiGen Senior Facility Upsize

- Bert Hunter explained the strong growth that PosiGen has had in CT and reasoning for the facility expansion. The Green Bank's position for a second lien would be unchanged and PosiGen has secured additional capital, though Ares Capital wants to increase the first lien facility by $50 million, which requires the Board's approval.
  - Lonnie Reed asked if the increase changed the Green Bank's exposure level and Bert Hunter answered that no it does not.
- Michael Li had to leave the meeting before Resolution #3 was voted on.

<u>Resolution #3</u>

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, power purchase agreement 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, Ares Capital Corporation ("Ares") is currently the senior lender in the BL Facility and would like to increase its position against a growing borrowing base of lease assets by up to $50 million, as explained in the memorandum to the Board dated April 16, 2021 (the "Board Memo").

NOW, therefore be it:

RESOLVED, that the Board authorizes the Green Bank to consent to an increase in the Ares BL Facility size as set forth in the Board Memo, without increasing Green Bank's exposure to PosiGen;

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 Binu Chandy and seconded by Matthew Ranelli and Steve Meier, the Board of Directors voted to approve Resolution 3. None opposed or abstained. Motion approved unanimously.

c. Skyview Facility

- Bert Hunter introduced David Beech, a new hire (June 2020) to the Finance team of the Green Bank. David Beech explained the history of the Skyview projects and facility and noted that Skyview is a prompt payer with good performance and strong pipelines for 2021 and 2022. The request is to qualify additional projects under the existing facility size.

- Lonnie Reed asked if the municipal project market is expanding, and David Beech answered that it does appear to be the trend. Bert Hunter also noted that it may be a combination of factors, including the end of the ZREC offerings as the state moves to a tariff system. Mackey Dykes also commented that there has been more behind the meter and virtual net-metering interest lately.
- Matthew Ranelli noted he would abstain from the vote.

Resolution #4

WHEREAS, the Connecticut Green Bank ("Green Bank") has significant experience in the development and financing of commercial solar power purchase agreement ("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-based solar developer, Skyview Ventures LLC ("Skyview"), and through that relationship the Green Bank has an opportunity to deploy capital for commercial solar PPA projects developed by Skyview in Connecticut ("Skyview PPA Projects");

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;

WHEREAS, based on diligence of Green Bank staff for a senior secured loan facility ("Original Term Loan") the Green Bank Deployment Committee (the "Deployment Committee") on February 27, 2020 recommended to the Green Bank Board of Directors (the "Board") the approval of the Term Loan transaction in an amount not to exceed $2.3M as a Strategic Selection and Award pursuant to the Green Bank Operating Procedures Section XII;

WHEREAS, the Board passed resolutions at its meeting held on March 25, 2020 to approve the Original Term Loan transaction in an amount not to exceed $2.3M as a Strategic Selection and Award given the special capabilities, uniqueness, strategic importance, urgency and timeliness, and multi-phase characteristics of the Original Term Loan transaction;

WHEREAS, the Board authorized the expansion of the Original Term Loan transaction in an amount not to exceed $3.5M on April 24, 2020 (the "Modified Term Loan");

WHEREAS, the Board authorized the expansion of the Modified Term Loan transaction to an amount not to exceed $7M on October 23, 2020 (the "Existing Term Loan"); and

WHEREAS, based on an expanding pipeline of Skyview PPA Projects and diligence of Green Bank staff, Green Bank staff proposes the expanded pipeline be approved for future advances within the limits of the Existing Term Loan.

NOW, therefore be it:

RESOLVED, that the Board hereby amends and restates its approval of the Existing Term Loan transaction as described in the Project Qualification Memo submitted by the staff to the Board and dated April 18, 2021 (the "Memorandum") to include the expanded project pipeline of Skyview PPA Projects to be qualified for future advances within the $7,000,000 limit of the Existing Term Loan 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 Existing 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 these resolutions.

Upon a motion made by Thomas Flynn and seconded by Binu Chandy, the Board of Directors voted to approve Resolution 4. None opposed and Matthew Ranelli abstained. Motion approved.

5. Executive Session – Confidential Matters Relating to Polamer Precision

Upon a motion made by Binu Chandy and seconded by Steve Meier, the Board of Directors voted to move the meeting into Executive Session to discuss commercial and financial information given in confidence not required by statute. None opposed or abstained. Motion approved unanimously.

- The meeting entered Executive Session at 9:43 am.
- Michael Li rejoined and John Harritty joined the meeting during the Executive Session.
- The meeting left Executive Session at 10:10 am and resumed publicly.

Resolution #5

WHEREAS, pursuant to Connecticut General Statutes Section 16a-40g, the Connecticut Green Bank ("Green Bank") is directed to, amongst other things, establish a commercial sustainable energy program for Connecticut, known as Commercial Property Assessed Clean Energy ("C-PACE");

WHEREAS, the Board of Directors ("Board") of the Green Bank approved in April 2014 a construction and term loan secured by a C-PACE benefit assessment for Polamer Precision Inc. ("Polamer") New Britain, Connecticut, to finance the construction of specified clean energy and energy conservation measures in line with the State's Comprehensive Energy Strategy and the Green Bank's Strategic Plan; and

WHEREAS, as a result of COVID-19, Polamer has requested repayment modification (the "C-PACE Modification") and staff has recommended to the Board approval of Polamer's requested modification, pursuant to the Board approved Loan Loss Decision Framework and Process for managing assets requiring restructuring or write-off from the Green Bank's balance sheet as modified by the Board's approval of a COVID-19 pandemic response to enable restructuring of transactions.

NOW, therefore be it:

RESOLVED, that the President of the Green Bank and any other duly authorized officer of the Green Bank is authorized to execute and deliver documentation to affect the C-PACE Modification consistent with the memorandum submitted to the Board dated April 16, 2021; and

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

Resolution 5 needed more discussion and was tabled. It was not voted on.

6. Other Business

a. Lead by Example – Senior Sustainability Officer (Update)

- Eric Shrago gave an overview of the organization's involvement in the State's initiative to increase sustainability in their offices. He cited several Green Bank efforts related to improving energy efficiency and water use in offices and noted the ongoing partnerships with our new landlords to continue to do new measures that reduce our carbon footprint..
  - Lonnie Reed noted that other tenants of the building may benefit from the changes that the Green Bank started, which Eric Shrago answered enthusiastically yes.

b. Earth Day Message – Gina McCarthy

- Bryan Garcia noted the greater integration into the community thanks to the new headquarters, including a potential solar canopy for the parking lot. He then explained the newly created Gina McCarthy meeting room and shared her Earth Day video message to Connecticut.
  - John Harrity complimented Gina McCarthy's message and the video overall.
- Bryan Garcia explained some upcoming bills HB 806 (US) and HB 6441 (CT) and their connection with Green Bank efforts.
  - Matthew Ranelli asked if for HB 6441, will the Green Bank gain the ability to enter into agreements with Municipalities. Bryan Garcia said he believed the Green Bank would, pending the municipalities' ability to do so. Brian Farnen added that the Green Bank currently does have the ability to enter in municipalities.

c. Other Business

- None.

7. Adjourn

Upon a motion made by John Harrity and seconded by Binu Chandy, the Board of Directors Meeting adjourned at 10:43 am.

Respectfully submitted,

Lonnie Reed, Chairperson

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CONNECTICUT GREEN BANK

Memo

To: Connecticut Green Bank Board of Directors

From: Emily Basham (Senior Manager)

CC: Bryan Garcia (President and CEO), Bert Hunter (EVP and CIO), and Eric Shrago (Managing Director of Operations)

Date: June 25, 2021

Re: IPC PSA Amendment to Allocate DOE Grant Funds

Background & Purpose

In partnership with Inclusive Prosperity Capital (IPC), the Connecticut Green Bank ("Green Bank") applied for and received a U.S. Department of Energy ("DOE") grant award spanning up to three years. At the March 25th 2020 meeting, the Board approved an Agreement to allocate the first year of these federal grant funds to IPC for their contributions to and participation in the grant obligations. The purpose of this Amendment **(Attachment A**) is to allocate the second and third year of these federal grant funds to IPC.

The Green Bank and IPC were joint-applicants and are subrecipients of a U.S. Department of Energy Award led by the Clean Energy States Alliance in support of Bringing Low and Moderate Income (LMI) Solar Financing Models to Scale ("DOE LMI Project"). The objective of this grant is to make solar financing available to LMI homeowners in multiple states by replicating the model pioneered by the Green Bank and carried on through IPC. Tasks under the DOE LMI Project, particularly in the second and third year, relate to work that is focused outside the state of Connecticut. Given that the Green Bank does not perform work outside the State of Connecticut and the mission and staff at IPC are intimately familiar with the Green Bank's model and LMI initiatives, and have the capacity and authority to work outside of Connecticut, their continued participation is critical.

The grant spans up to three years with an evaluation period after each year where the DOE reviews the project milestones and determines whether the Project continues to the next year. The original Board approved of the Agreement was in a not-to-exceed amount of $21,600 for the first year of the grant funds be allocated to IPC. As a result, Green Bank staff recommend executing an Amendment to the PSA with IPC to allocate an amount not-to-exceed $30,100 of grant funds for the second and third year of the grant.

Desired Outcomes

- **Validation**: in collaboration with a neutral, third-party entity, evaluate the financial performance of the Green Bank LMI Solar Model for single family homes
- **Awareness:** Establish a learning network and working group for the adoption of the Green Bank's LMI Solar Model for single family homes with a broad awareness campaign
- **Assessment:** Assess opportunities for scaling the Green Bank LMI Solar model for single family homes in key target markets

Strategic Selection

Green Bank is pursuing this arrangement and approval from the Board on the basis of a Strategic Selection. The allocation of grant funds to IPC satisfies all criteria of the Strategic Selection and Award process of Green Bank operating procedures, namely: (1) special capabilities, (2) uniqueness, (3) strategic importance, (4) multiphase project; follow-on investment and (5) urgency and timeliness:

(1) Special Capabilities
Sparked by the Connecticut Green Bank, the mission of IPC is to attract mission-oriented investors in "clean energy" in underserved market segments. IPC has exceptional experience and expertise in the green bank model and, specifically, increasing investment in underserved markets.

(2) Uniqueness
The highly competitive DOE award present a unique opportunity to leverage funding through proven strategy across the country.

(3) Strategic Importance
IPC partnership enables the replication and dissemination of the green bank model by leveraging the nonprofits access and authority to work outside the state of Connecticut. Without this partnership the Connecticut Green Bank would not be able to meet the tasks and commitments of the grant agreements.

(4) Multiphase; Follow-on investment
The DOE grant provides funding directly to IPC to support their expansion outside of Connecticut, expanding their capabilities to attract and leverage outside investment in clean energy.

(5) Urgency and Timeliness
The DOE LMI Project grant period is time-sensitive in the allocation of funds as well as meeting the tasks outlined in the scope of work. DOE approved the second year of the Project in April with short notice to restart work in the project scope.

Conclusion & Recommendation

IPC offers strategic importance for the Green Bank to increase its impact by applying the green bank model to underserved market segments and bring LMI clean energy solutions to scale. Supported entirely through the grant funds, the proposed agreement amendment is necessary to allocate funds to IPC to complete the work committed to in the grant project plans and not violate their existing contract limits.

Staff recommend this grant agreement to the Board for approval.

Resolutions

WHEREAS, the Connecticut Green Bank ("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, the Project requires the expertise of individuals with experience in the Connecticut Green Bank Model and specifically the Green Bank's LMI single-family 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 Inclusive Prosperity Capital, Inc (IPC) 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 Board of Directors approves Green Bank to amend Professional Service Agreement (PSA) 5574 with IPC as a strategic selection and award pursuant to the reasonings set forth in the memorandum to the Board dated June 25, 2021;

RESOLVED, that the President, Chief Investment Officer and 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 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 effect the above-mentioned legal instrument or instruments.

Submitted by: Emily Basham, Manager

FIRST AMENDMENT TO PSA # 5574

This First Amendment (the "Amendment"), dated ___________ (the "Effective Date"), is entered into by and between the CONNECTICUT GREEN BANK ("Green Bank"), and Inclusive Prosperity Capital ("Consultant").

WHEREAS, Green Bank and Consultant are parties to that certain Standard Professional Services Agreement dated October 1, 2019 (as may be amended, the "Agreement");

WHEREAS, Green Bank and Consultant agree to extend the period of performance and increase the not-to-exceed amount; and

WHEREAS, all other terms and conditions in the Agreement which are not modified by this Amendment shall remain unchanged and in full force and effect.

NOW, THEREFORE, in consideration of the mutual promises herein contained and other good and valuable consideration, Green Bank and Consultant agree as follows:

1. Section 2 of the Agreement is amended to extend the period of performance to March 31st 2023 or upon conclusion of the grant period for the 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");

2. Section 3 of the Agreement is deleted in its entirety and replaced with the following:

   Payment. Green Bank agrees to pay Consultant for the Work performed in accordance with Attachment A and B of this Agreement for the Project in an amount not-to-exceed Fifty-One Thousand and Seven Hundred and no/100 Dollars ($51,700.00) inclusive of hourly fees and expenses. The person(s) performing the Work under this Agreement are as follows:

   THE NOT-TO-EXCEED AMOUNT OF THIS AGREEMENT CAN BE MODIFIED BY THE PARTIES ONLY BY A WRITTEN AMENDMENT SIGNED AND DATED BY GREEN BANK AND CONSULTANT PRIOR TO ANY WORK TO BE PERFORMED BY CONSULTANT WHICH WOULD RESULT IN PAYMENTS IN EXCESS OF THE NOT-TO-EXCEED AMOUNT OF THIS AGREEMENT.

3. This Amendment may be executed in any number of counterparts (including those delivered by facsimile or other electronic means), and each of such counterparts shall for all purposes be deemed to be an original; and all such counterparts, shall together constitute but one and the same agreement.

IN WITNESS WHEREOF, Green Bank and Consultant have caused this Amendment to be executed as of the Effective Date.

CONNECTICUT GREEN BANK

By: ____________________________________
Bryan T. Garcia, President and CEO

INCLUSIVE PROSPERITY CAPITAL, INC.

By: ____________________________________
Kerry E. O'Neill, Chief Executive Officer

845 Brook Street, Rocky Hill, CT 06067
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InclusiveProsperityCapital.org

INCLUSIVE
PROSPERITY CAPITAL

Memo

To: Connecticut Green Bank Senior Team

From: Inclusive Prosperity Capital Staff

Date: June 16, 2021

Re: IPC Quarterly Reporting – Q3 FY21 (January 1, 2021 – March 31, 2021)

Progress to targets for Fiscal Year 2021, as of 03/31/2021[1]

Product	Number of Projects	Projects Target	% to goal	Total Financed Amount	Financed Target	% to goal	MW Installed	MW Target	% to goal
Smart-E Loan	549	740	74.2%	$8,244,650	$9,768,000	84.4%	0.7	1.0	70%
Multi-Family H&S	1	0	100%	$225,000	$0	100%	n/a	0.0	0%
Multi-Family Pre-Dev.	0	0	0%	$0	$0	0%	0.0	0.0	0%
Multi-Family Term	4	2	200%	$3,963,995	$225,000	1762%	0.04	0.1	41%
Solar PPA	12	27	44.4%	$2,538,143	$2,650,000	95.8%	1.8	5.6	9%
Solar For All	816	416	196.2%	$21,629,741	$10,102,390	214.1%	5.5	2.7	210%

(report continues next page)

[1] Source: CT Green Bank PowerBI

PSA 5410 – Smart-E Loan

- Early in Q3, IPC staff helped craft and deliver a proposal to the CT Green Bank's Deployment Committee to transition the 2.99% special financing offer that was focused on battery storage, electric vehicle charging stations, and heat pumps (air source and ground source) into a larger "Spring Special Offer" ("SSO").
- Prior to the presentation to the Deployment Committee, IPC staff met with representatives from Eversource and United Illuminating to share the idea of the SSO and to get their feedback.
- The SSO was approved as an interest rate buydown to 1.99% for 5, 7 and 10-year loan terms, with 0% carveouts for borrowers at/below 80% Area Median Income and for borrowers with crumbling foundations (the latter recommended by the utility staff). The list of qualifying special offer measures was expanded to all Smart-E eligible measures, except for solar (due to the winding down of RSIP) and health & safety measures (pending approval of DOE).
- The SSO launched on March 15, 2021 with a budget of approximately $1.3M in ARRA funds for interest rate buydowns. The primary goal of the SSO was to assist with the recovery of Connecticut's clean energy economy. Volume was strong right away with lots of homeowner and contractor interest.
- IPC staff worked with the CT Green Bank, DEEP and SHPO to make requests to the U.S. Department of Energy for 1) the expansion of the list of historic review standard exemptions, and 2) for the inclusion of health and safety measures in the ARRA-funded SSO, with decisions on both expected in Q4.

PSA 5411 – Multifamily

- One project closed in Q3 - a $225K H&S loan for a scattered site project of small multifamily properties owned by Bridgeport Neighborhood Trust that will be substantially renovated/rehabilitated for tenant occupancy.
- COVID-19 continues to impact Multifamily Program activity with many property owners and managers still stretched thin dealing with the repercussions of the health crisis as well as uncertainty about rental incomes and financial stability due to wide-ranging employment impacts. That said, we have continued with a strategic marketing and outreach approach to continue building the pipeline.
- Given the realities of the COVID crisis, during Q1, the multifamily team prioritized marketing/outreach efforts **promoting the cost saving benefits of going solar through the Green Bank Solar PPA**. In Q3, the team continued to cultivate a portfolio of 5-10 projects that we hope to close by the end of FY21, if not early FY22.
- Our second priority has been **promoting the ECT Health & Safety Revolving Loan Fund**, with a focus on promoting the program to property owners that are developing projects with whom the team has relationships and we are aware of health & safety needs that can benefit from using these funds. We have a pipeline of additional projects behind this one that we will be reviewing and underwriting in Q4.
- **We continue to provide support for long-term projects, Seabury Coop in New Haven and Success Village in Bridgeport**, that are being stabilized and preserved as affordable housing by funding energy and health and safety improvements. Both projects are moving towards

the end of their respective pre-development processes and are getting closer to seeking/securing term financing for project implementation. The CT Green Bank and our funding partners continue play a critical role as lenders of last resort in these projects.

PSA 5412 – Solar PPA

- The Green Bank Solar PPA is behind targets due to timing on state solar projects. These have been in development during the first half of the fiscal year and are expected to close in the coming calendar year.
- Despite this, IPC staff utilized its CGB Sourcing and Servicing Agreement to support 12 solar PPA projects totaling 1.8 MW and ~$2.54M in project cost closed in the first three quarters of the fiscal year that will be transferred to IPC in Q4 FY21 or Q1 FY22.
- IPC staff responded to PPA pricing requests received by CGB staff, particularly extensive scenarios to support the Solar MAP initiative.
- Fully integrated use of IPC Salesforce Platform into pricing request process with developers.

PSA 5413 – Investment Management (LMI Solar and Green and Healthy Homes)

PosiGen Solar for All Program Management

- The PosiGen Solar for All Bristol and Mansfield / Windham campaigns concluded in October. There continues to be some customer service issues as PosiGen works through process delays. Staff at PosiGen are taking a very hands-on approach to support these customers.
- IPC, CGB, and CMC Energy representatives met to discuss solutions around the significant HES-IE backlog. A few proposals were suggested and CMC will take it to PosiGen.

Green and Healthy Homes Project

- The final report on the CT Medicaid ROI analysis and pilot design is with project team state agencies, including the CT Department of Public Health, for review and final sign-off. Currently waiting for the final partner sign off before releasing findings publicly. The CT Department of Public Health was understandably focused on the pandemic; however, it could revisit the subject in Q4.

Investment Management

IPC staff supported Green Bank staff on the following financings:

- **PosiGen**:
    - Ongoing portfolio monitoring, payment verification and processing, and diligence/analysis on a refinancing with a 3rd party capital source on Green Bank collateral which will result in additional 3rd party capital being driven into PosiGen investment structures.
    - IPC continues to monitor, administer, and support the Green Bank's investment position in PosiGen through IPC's non-controlling participation in the Green Bank financing facility.

- **Residential SL2 and CT Soar Loan**:

- An IPC staff member continued to assist with the management of CT Solar Lease 2 ("SL2") and CT Solar Loan tasks, though in an advisory role as many of the administrative tasks have been transitioned to a junior CGB employee.
- The IPC staff member continued to assist with the management and training of the employee.
- For SL2, the IPC staff member continued to co-manage the relationship with Renew Financial – which begun transitioning to Concord Servicing, and with Assurant.
- Ongoing larger projects that the IPC staff member led included: coordinating the completion of an amended and restated PSA with Assurant for SL2 warranty management, and UCC tracking, invoice reconciliation and payment for SL2 and CT Solar Loan.
- CGB and IPC agreed to review the ongoing support of SL2 and CT Solar Loan through Q4 to determine if IPC staff could phase out completely or remain involved in the management to some degree.

Use of DEEP Proceeds

Energize CT Health & Safety Revolving Loan Fund

- As described above, the multifamily program team has prioritized promoting the ECT Health & Safety Revolving Loan Fund, with a focus on promoting the program to property owners that are developing projects with whom the team has relationships, and we are aware of health & safety needs that can benefit from using these funds. As described in the previous FY'20 metrics report out, this is being done through an experienced housing development consultant hired to spearhead outreach and applicant support for the ECT H&S RLF.
- In Q3, IPC staff closed a $225K H&S loan for a scattered site project of small multifamily properties owned by Bridgeport Neighborhood Trust. We have a pipeline of additional projects behind this one that we will be reviewing and underwriting in Q4 and into the next fiscal year.

$5M Capital Grant

- In Q1 FY20, IPC's Board approved a $1.2M investment in Capital for Change to provide liquidity under its successful LIME Loan program offered in partnership with the Connecticut Green Bank. Although the transaction was expected to close in February 2020 under a master facility construct with CGB, in the wake of the COVID-19 outbreak, CGB funded the entirety of the LIME recapitalization in IPC's stead. IPC will continue to monitor for favorable conditions for future investment.

General Updates

Below are updates for the third quarter of FY21:

- **Capital raising**:
  - Continue to operationalize the $25M credit facility with New York Green Bank, the first credit facility that will access the Kresge Guarantee, made our first draw in December.

- Drew on the upsized revolving line of credit with CGB (fully drawn on the $1M).
- Received approval for $6M of PRI and faith-based investment, target closings over the next 2 quarters.
- Continued diligence with the additional capital providers, including impact investors.

- **Business/Product Development/Initiatives of interest to Connecticut**:
  - Software licensing agreement for the NGEN platform
    - Colorado Energy Office has hit a snag with state procurement and is now considering transferring the program out of the state energy office to the CO Clean Energy Fund (their green bank) for easier contracting. This will take time.
    - Continued work with Inclusiv (the member network of CDFI/community development credit unions) and UNH Carsey (under a DOE grant) on a potential launch of a Smart-E programs in various geographies:
      - Santa Fe city/county – with an eye towards longer term expansion to statewide, Santa Fe is also considering forming a green bank;
      - Asheville, NC – with an eye towards expansion to statewide with the NC Clean Energy Fund (their new green bank);
      - Arkansas Energy Office – for a statewide program;
      - Other conversations, but no clear access to funding: Metro Louisville, KY (county), Cincinnati, Atlanta/Savannah; and
      - New York State on hold, since no program funding available, only LLR support.
  - Continued to work with a number of green banks, local governments, etc. on leveraging IPC's products and financing strategies. Working to launch multifamily lending products to Philadelphia Energy Authority and SELF, working with MI Saves, DC Green Bank, and CGC on a variety of opportunities.
  - IPC continues to participate in the following advisory councils/initiatives related to DOE grants or programs for expanded access to solar/solar financing:
    - Achieving Cooperative Community Equitable in Solar Sources (ACCESS) Stakeholder Group – National Rural Electric Cooperative Association (NRECA) is partnered with National Rural Utilities Cooperative Finance Corporation, CoBank and GRID Alternatives to make solar energy more affordable for LMI members of cooperatives. The project is engaging community and regional financial institutions.
    - NREL/NYSERDA Solar Finance Inclusion Initiative – focused on new financial products for solar energy. The financial products, described as flexible financial credit agreements (FFCAs), are focused on enabling greater participation in solar energy by LMI customers. The goal of the joint initiative is to devise ways to address persistent barriers by LMI customers solar such as income fluctuations, housing transitions or other issues.
    - Inclusive Shared Solar Initiative (ISSI) Advisory Board – the National Association of State Energy Officials (NASEO) and the National Energy Assistance Directors' Association (NEADA) seek to advance strategies that increase the scalability of LMI) community solar programs. The basis for ISSI is the NYS Solar for All program, a pilot sponsored by the NYSERDA, which improves access to community solar facilities for LMI households.

    - National Community Solar Partnership – a learning network of over 300 devoted to the expansion of community solar across the US.
- **Administrative**:
  - IPC successfully recruited new staff for two new positions, an Associate of Program Operations/Compliance Reporting and a Senior Accountant. IPC continued to recruit for additions to the Finance team.
  - IPC continued its work with the CGB senior team on a comprehensive review of IPC's status to date and work under the MOU and PSAs.

Substitute Senate Bill No. 356

Public Act No. 21-48

AN ACT ESTABLISHING AN ENERGY EFFICIENCY RETROFIT GRANT PROGRAM FOR AFFORDABLE HOUSING.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

Section 1. (NEW) (*Effective from passage*) (a) Not later than September 1, 2021, the Department of Energy and Environmental Protection shall, using available federal or other funds, establish an energy efficiency retrofit grant program. The Commissioner of Energy and Environmental Protection may receive funds from the federal government, corporations, associations or individuals to fund the grant program. Such program shall award grants to fund the installation of energy efficient upgrades to (1) affordable housing, as defined in section 8-39a of the general statutes, including, but not limited to, property of a housing authority, as defined in section 8-39 of the general statutes, or (2) other dwelling units owned by a landlord, as defined in section 47a-1 of the general statutes, at the discretion of the commissioner. Such upgrades shall include energy efficiency and weatherization measures and may include, but need not be limited to, the installation of rooftop solar photovoltaic panels, energy storage systems located on the customer's premises, electric vehicle charging infrastructure, heat pumps and balanced ventilation, and the mitigation of health and safety hazards including, but not limited to, gas leaks, mold, vermiculite and asbestos, lead and radon, to the extent such hazards impede the installation of energy efficiency upgrades and weatherization measures.

(b) The Department of Energy and Environmental Protection shall develop standards for the energy efficiency retrofit grant program. The department may consult with other state agencies, quasi-public agencies and housing authorities, and shall consider the energy performance standards developed pursuant to section 16a-38 of the general statutes, in establishing the standards for the grant program. The department may coordinate with other state agencies, quasi-public agencies and housing authorities to implement the grant program in conjunction with other existing state programs that have the purpose of installing or otherwise assisting state residents to obtain the upgrades set forth in subsection (a) of this section. The department may retain consultants with expertise in energy efficiency retrofit programs or distributed energy programs, or both, for assistance with its development or administration of the grant program.

(c) A grant applicant shall submit an application to the Commissioner of Energy and Environmental Protection on forms prescribed by the commissioner, which shall include, but not be limited to: (1) A description of the proposed project; (2) an explanation of the expected benefits of the project in relation to the purposes of this section; (3) information concerning the financial and technical capacity of the applicant to undertake the proposed project; (4) a project budget; and (5) any other information deemed necessary by the commissioner. The commissioner shall prioritize grants to applicants who (A) use the services of local contractors who pay the prevailing wage and who make good faith efforts to hire, or cause to be hired, available and qualified minority business enterprises, as defined in section 4a-60g of the general statutes, and (B) upgrade affordable housing or dwelling units for households that include an individual who qualifies for utility financial hardship programs or who receives means-tested assistance administered by the state or federal government.

(d) Not later than January 1, 2023, and annually thereafter, the Commissioner of Energy and Environmental Protection shall submit a report, in accordance with the provisions of section 11-4a of the general statutes, to the joint standing committees of the General Assembly having cognizance of matters relating to energy and technology and housing. Such report shall include the standards developed pursuant to subsection (b) of this section, an analysis of the scope of residences able to be served by the grant program and proposed goals for the annual percentage of affordable housing units that can be served by the program.

Sec. 2. Subdivision (2) of subsection (b) of section 16-244z of the general statutes is repealed and the following is substituted in lieu thereof (*Effective from passage*):

(2) On and after January 1, 2022, each electric distribution company shall offer the following options to residential customers for the purchase of products generated from a Class I renewable energy source that is located on a customer's own premises and has a nameplate capacity rating of twenty-five kilowatts or less for a term not to exceed twenty years: (A) A tariff for the purchase of all energy and renewable energy certificates on a cents-per-kilowatt-hour basis; and (B) a tariff for the purchase of any energy produced and not consumed in the period of time established by the authority pursuant to subparagraph (C) of subdivision (1) of this subsection and all renewable energy certificates generated by such facility on a cents-per-kilowatt-hour basis. A residential customer shall select either option authorized pursuant to subparagraph (A) or (B) of this subdivision, consistent with the requirements of this section. Such generation projects shall be sized so as not to exceed the load at the customer's individual electric meter <u>or, in the case of a multifamily dwelling that qualifies under this subsection, the load of the premises,</u> from the electric distribution company providing service to such customer, as determined by such electric

distribution company. For purposes of this section, "residential customer" means a customer of a single-family dwelling, **[**or**]** a multifamily dwelling consisting of two to four units, or a multifamily dwelling consisting of five or more units, provided in the case of a multifamily dwelling consisting of five or more units, (i) not less than sixty per cent of the units of the multifamily dwelling are occupied by persons and families with income that is not more than sixty per cent of the area median income for the municipality in which it is located, as determined by the United States Department of Housing and Urban Development, or (ii) such multifamily dwelling is determined to be affordable housing by the Public Utilities Regulatory Authority in consultation with the Department of Energy and Environmental Protection, Department of Housing, Connecticut Green Bank, Connecticut Housing Finance Authority and United States Department of Housing and Urban Development. In the case of a multifamily dwelling consisting of five or more units, a generation project shall only qualify under this subsection if: (I) Each of the dwelling units receives an appropriate share of the benefits from the generation project, and (II) no greater than an appropriate share of the benefits from the generation project is used to offset common area usage. The Public Utilities Regulatory Authority shall initiate an uncontested proceeding to implement the distribution of the benefits from the generation project pursuant to this section.

Substitute Senate Bill No. 952

Public Act No. 21-53

AN ACT CONCERNING ENERGY STORAGE.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

Section 1. (NEW) (*Effective from passage*) On or before January 1, 2023, and annually thereafter, the Department of Energy and Environmental Protection and the Public Utilities Regulatory Authority shall report, in accordance with section 11-4a of the general statutes, to the joint standing committee of the General Assembly having cognizance of matters relating to energy regarding the quantifiable progress of energy storage deployment against the following goals:

(1) Three hundred megawatts by December 31, 2024;

(2) Six hundred fifty megawatts by December 31, 2027; and

(3) One thousand megawatts by December 31, 2030.

Sec. 2. (NEW) (*Effective July 1, 2021*) (a) On or before January 1, 2022, the Public Utilities Regulatory Authority shall initiate a proceeding to develop and implement one or more programs, and associated funding mechanisms, for electric energy storage resources connected to the electric distribution system. The authority shall establish (1) one or more programs for the residential class of electric customers, (2) one or more programs for commercial and industrial classes of electric customers, and (3) a program for energy storage systems connected to the distribution system in front of the meter and not located at a customer premises. The authority shall solicit input from the Department of Energy and Environmental Protection, the Connecticut Green Bank, the electric distribution companies and the Office of Consumer Counsel in developing such programs.

(b) On or before January 1, 2022, the authority shall report the status of the proceeding described in subsection (a) of this section, in accordance with the provisions of section 11-4a of the general statutes, to the joint standing committee of the General Assembly having cognizance of matters relating to energy.

(c) In undertaking the proceeding described in subsection (a) of this section, the authority shall consider one or more programs and rate designs to incentivize the deployment of electric energy storage technologies connected to the electric distribution system that most effectively leverage the value of such technologies to achieve objectives including, but not limited to, (1) providing positive net present value to all ratepayers, or a subset of ratepayers paying for the benefits that accrue to that subset of ratepayers; (2) providing multiple types of benefits to the electric grid, including, but not limited to, customer, local, or community resilience, ancillary services, leveling out peaks in electricity use or that support the deployment of other distributed energy resources; (3) fostering the sustained, orderly development of a state-based electric energy storage industry; and (4) maximizing the value from the participation of energy storage systems in capacity markets. The authority shall include consideration of all energy storage configurations that are connected to the distribution system, including systems connected in front of the meter and not located at a customer premises. The authority shall also consider programs and rate designs to incentivize uses of electric energy storage technologies connected to the electric distribution system that avoid or defer investment in traditional electric distribution system capacity upgrades.

(d) The authority may select the Connecticut Green Bank, the Department of Energy and Environmental Protection, the electric distribution companies, a third party it deems appropriate or any combination thereof, to implement one or more programs for electric energy storage resources connected to the electric distribution system, as directed by the Public Utilities Regulatory Authority.

Sec. 3. (NEW) (*Effective July 1, 2021*) (a) The Commissioner of Energy and Environmental Protection, in consultation with the procurement manager identified in subsection (l) of section 16-2 of the general statutes and the Office of Consumer Counsel, may issue requests for proposals for energy storage projects connected at the transmission or distribution level, including stand-alone energy storage projects and energy storage projects paired with Class I renewable energy sources or hydropower facilities that have a nameplate capacity rating of not more than one hundred megawatts, that would achieve the goals in section 1 of this act in combination with programs established by the Public Utilities Regulatory Authority. If the Commissioner of Energy and Environmental Protection determines that procuring energy storage is cost effective, the commissioner shall proceed with the selection of proposals. In making this determination, the commissioner shall publish and make available for public comment a cost-effectiveness test that considers each applicable benefit provided by energy storage.

(b) In making any selection of such proposals, the commissioner shall consider factors, including, but not limited to, (1) whether the proposal is in the best interest of ratepayers, including, but not limited to, the delivered price of such sources, (2) whether the proposal promotes electric distribution system reliability, including during winter peak demand, (3) any positive impacts on the state's economic development, (4) whether the proposal is consistent with the requirements to reduce greenhouse gas emissions in accordance with section 22a-200a of the general statutes, and (5) whether the proposal is consistent with the policy goals outlined in the Comprehensive Energy Strategy adopted pursuant to section 16a-3d of the general statutes and the Integrated Resources Plan adopted pursuant to section 16a-3a of the general statutes. In considering whether a proposal has any positive impacts on the state's economic development, the Commissioner of Energy and Environmental Protection shall consult with the Commissioner of Economic and Community Development.

(c) Any agreement entered into pursuant to this section shall be subject to review and approval by the Public Utilities Regulatory Authority, which review shall be completed not later than one hundred twenty days after the date on which such agreement is filed with the authority. The authority shall approve any such agreement if it is cost effective and in the best interest of electric ratepayers. The net costs of any such agreement, including costs incurred by the electric distribution companies under the agreement and reasonable costs incurred by the electric distribution companies in connection with the agreement, shall be recovered through a fully reconciling component of electric rates for all customers of electric distribution companies. Any net revenues from the sale of products purchased in accordance with long-term contracts entered into pursuant to this section shall be credited to customers through the same fully reconciling rate component for all customers of the contracting electric distribution company.

House of Representatives

File No. 750

,

General Assembly

January Session, 2021 ***(Reprint of File No. 470)***

Substitute House Bill No. 6441
As Amended by House Amendment Schedule "A"

Approved by the Legislative Commissioner
May 27, 2021

AN ACT CONCERNING CLIMATE CHANGE ADAPTATION.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

Section 1. Section 22a-498 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2021*):

(a) Any municipality [selected by the commissioner to participate in the pilot program established pursuant to section 22a-497] may, by ordinance adopted by its legislative body, designate any existing board or commission or establish a new board or commission as the stormwater authority for such municipality. If a new board or commission is created, such municipality shall, by ordinance, determine the number of members thereof, their compensation, if any, whether such members shall be elected or appointed, the method of their appointment, if appointed, and removal and their terms of office, which shall be so arranged that not more than one-half of such terms shall expire within any one year.

(b) The purposes of the stormwater authority shall be to: (1) Develop a stormwater management program, including, but not limited to, (A) a program for construction and post-construction site stormwater runoff control, including control detention and prevention of stormwater runoff from development sites; or (B) a program for control and abatement of stormwater pollution from existing land uses, and the detection and elimination of connections to the stormwater system that threaten the public health, welfare or the environment; (2) provide public education and outreach in the municipality relating to stormwater management activities and to establish procedures for public participation; (3) provide for the administration of the stormwater management program; (4) establish geographic boundaries of the stormwater authority district; and (5) recommend to the legislative body of the municipality in which such district is located the imposition of a [levy] fee upon the [taxable] interests in real property within such district, subject to the fifteen per cent limitation on, or alternative election to exempt, properties owned by hospitals described in subdivision (3) of subsection (c) of this section, the revenues from which [may] shall be used in carrying out any of the powers of such district. In accomplishing the purposes of this section, the stormwater authority may plan, layout, acquire, construct, reconstruct, repair, maintain, supervise and manage stormwater control systems.

(c) (1) Any stormwater authority created by a municipality pursuant to subsection (a) of this section may levy fees, [from] approved by the legislative body of the municipality in accordance with the provisions of subdivision (3) of this subsection, on property owners of the municipality, except as specified in subdivision (2) of this subsection, for the purposes described in subsection (b) of this section. In establishing fees for [any property] properties in its district, the stormwater authority [may] shall consider criteria, including, but not limited to, the following: The area of the property containing impervious surfaces from which stormwater runoff is generated, land use types that result in higher or lower concentrations of stormwater pollution and the grand list valuation of the property. [The stormwater authority may reduce or defer such fees for land classified as, or consisting of, farm, forest or open space land.**]** In establishing fees for property in its district, the stormwater authority shall offer partial fee reduction, in the form of a credit for any property owner in its district who has installed and is operating and maintaining current stormwater best management practices that reduce, retain, or treat stormwater onsite and that are approved by the stormwater authority.

(2) In the case of land classified as, and consisting of, farm, forest or open space land, or property owned by the state government, or any of its political subdivisions or respective agencies, the stormwater authority may only levee such fees on areas of such land that contain impervious surfaces from which stormwater discharges to a municipal separate storm sewer system.

(3) Each stormwater authority shall present its budget annually to the legislative body of the municipality for approval. Such budget shall include the specific programs the authority proposes to undertake during the fiscal year for which the budget is presented, the projected expenditures for such programs for the fiscal year and the amount of the fee or fees the authority proposes to levy to pay for such expenditures. In no event shall the aggregate amount of the fees proposed for the fiscal year exceed the aggregate amount of such projected expenditures for the fiscal year and in no event shall more than fifteen per cent of the aggregate amount of the fees proposed for any fiscal year prior to July 1, 2026, be generated from properties located in the municipality that are owned by hospitals that are parties to the settlement agreement with the state approved pursuant to special act 19-1 of the December 2019 special session. The legislative body of the municipality shall ensure that the aggregate amount of the fees approved comply with such fifteen per cent limitation. For each such fiscal year prior to July 1, 2026, the authority shall, not later than thirty days after the conclusion of the fiscal year, (A) conduct a review to ensure that not more than fifteen per cent of the aggregate fees received for such fiscal year were generated from real property located in the municipality that is owned by one or more hospitals that are parties to the settlement agreement described in this

subdivision, (B) in the event that the fees received from all such hospitals together exceed fifteen per cent of the aggregate fees received for such fiscal year, the stormwater authority shall rebate any amounts received in excess of fifteen per cent, proportionately, to such hospitals, and (C) provide the results of the stormwater authority's review, in writing to each hospital, regardless of whether a rebate is due. As an alternative to imposing the fee on properties located in the municipality that are owned by hospitals that are parties to such settlement agreement described in this subdivision, the legislative body may approve exemption of such properties from the fee until July 1, 2026. The legislative body of the municipality may approve fee amounts that are less than the amounts proposed by the authority but in no event shall the legislative body of the municipality approve fee amounts that are greater than the amounts proposed by the authority.

(d) Any person aggrieved by the action of a stormwater authority under this section shall have the same rights and remedies for appeal and relief as are provided in the general statutes for taxpayers claiming to be aggrieved by the doings of the assessors or board of assessment appeals.

[(d)] (e) The authority may adopt municipal regulations to implement the stormwater management program.

[(e)] (f) The authority may, subject to the commissioner's approval, enter into contracts with any municipal or regional entity to accomplish the purposes of this section.

(g) For purposes of this section and sections 22a-498a and 22a-498b, as amended by this act, "municipality" means any town, city, borough, consolidated town and city or consolidated town or borough. "Municipality" does not include any local school district, regional school district, metropolitan district, district, as defined in section 7-324, or any other municipal corporation or authority authorized to issue bonds, notes or other obligations under the provisions of the general statutes or any special act.

Sec. 2. Section 22a-498a of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2021*):

A municipal stormwater authority created pursuant to section 22a-498, as amended by this act, and located in a distressed municipality, as defined in subsection (b) of section 32-9p, having a population of not more than twenty-eight thousand shall constitute a body politic and corporate and the ordinance establishing such authority may confer upon such authority the following powers: (1) To sue and be sued; (2) to acquire, hold and convey any estate, real or personal; (3) to contract; (4) to borrow money, including by the issuance of bonds, provided the issuance of such bonds is approved by the legislative body of the municipality in which such authority district is located; (5) to recommend to the legislative body of such municipality the imposition of **[**a levy**]** fees upon the **[**taxable**]** interests in real property within such authority district, subject to the fifteen per cent limitation on, or alternative election to exempt, properties owned by hospitals described in subdivision (3) of subsection (c) of section 22a-498, as amended by this act, the revenues from which **[**may**]** shall be used in carrying out any of the powers of such authority; (6) to deposit and expend funds; and (7) to enter property to make surveys, soundings, borings and examinations to accomplish the purposes of section 22a-498, as amended by this act. Such stormwater authority and legislative body shall comply with the procedures set forth in subsection (c) of section 22a-498, as amended by this act, concerning the fifteen per cent limitation on fees imposed upon, and retrospective review and rebate procedures for fees generated from, properties owned by hospitals described in subdivision (3) of subsection (c) of said section except if such legislative body approves exemption of such properties from the fee until July 1, 2026.

Sec. 3. Section 22a-498b of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2021*):

Any charge due to a municipal stormwater authority and any fee levied pursuant to section 22a-498, as amended by this act, and not paid [within] in full on or before thirty days [of] after the due date shall thereupon be delinquent and shall bear interest from the due date at [the rate charged by the municipality's tax collector for] such rates and in such manner as provided for delinquent property taxes under section 12-146. Any such unpaid charge or fee, or portion thereof, shall constitute a lien upon the [real estate] property against which such charge or fee was levied from the date it became delinquent. Each such lien may be continued, recorded and released in the manner provided by the general statutes for continuing, recording and releasing property tax liens.

Sec. 4. Section 25-84 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2021*):

(a) (1) Any municipality may, by vote of its legislative body, adopt the provisions of this section and sections 25-85 to 25-94, inclusive, as amended by this act, and exercise through a flood prevention, climate resilience and erosion control board the powers granted thereunder. In each town, except as otherwise provided by special act, the flood prevention, climate resilience and erosion control board shall consist of not less than five nor more than seven members, who shall be electors of such town and whose method of selection and terms of office shall be determined by local ordinance, except that in towns having a population of less than fifty thousand the selectmen may be empowered by such ordinance to act as such flood prevention, climate resilience and erosion control board. In each city or borough, except as otherwise provided by special act, the board of aldermen, council or other board or authority having power to adopt ordinances for the government of such city or borough may act as such flood prevention, climate resilience and erosion control board. The flood prevention, climate resilience and erosion control board of any town shall have jurisdiction over that part of the town outside any city or borough contained therein.

(2) Two or more municipalities may, by concurrent votes of their legislative bodies, enter into an agreement to jointly exercise through a joint flood prevention, climate resilience and erosion control board the

powers granted under sections 25-85 to 25-94, inclusive, as amended by this act. The joint flood prevention, climate resilience and erosion control board shall have jurisdiction over each municipality subject to such agreement.

(b) Any town, city or borough shall have the power to provide by ordinance for the appointment or election of three alternate members to its flood prevention, climate resilience and erosion control board. Such alternate members shall, when seated as herein provided, have all the powers and duties set forth for such board and its members. Such alternate members shall be electors of such town, city or borough. If a regular member of any of said board is absent or is disqualified, the chairman of the board shall designate an alternate to so act, choosing alternates in rotation so that they shall act as nearly equal a number of times as possible. If any alternate is not available in accordance with such rotation, such fact shall be recorded in the minutes of the meeting.

(c) Each flood prevention, climate resilience and erosion control board shall publish a biannual report on the Internet web site of each municipality under the jurisdiction of such board. Such report shall include, but not be limited to, (1) a current inventory and description of the flood prevention, climate resilience and erosion control system managed by such board, (2) the extent and value of property, infrastructure and natural resources protected by such system, (3) an analysis of the manner in which vulnerable communities, as defined in subsection (a) of section 16-243y, are prioritized and protected by such system, and (4) the revenues and expenditures of such board.

Sec. 5. Section 25-85 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2021*):

(a) Such board shall have authority, within the limits of appropriations from time to time made by the municipality or municipalities, as applicable, to plan, lay out, acquire, construct, reconstruct, repair, maintain, supervise, operate and manage a flood **[**or**]** prevention, climate resilience and erosion control system. As used in sections 25-84 to 25-94, inclusive, as amended by this act, ["flood or erosion control system"] "flood prevention, climate resilience and erosion control system" means any dike, berm, dam, piping, groin, jetty, sea wall, embankment, revetment, tide-gate, water storage area, ditch, drain or other structure or facility, and any nonstructural and nature-based measure, including, but not limited to, removal, relocation or modification of existing structures, restoration and maintenance of open floodplain or other water storage area and any feasible, less environmentally damaging alternative, as defined in section 22a-92, that is useful in preventing or ameliorating damage from floods or erosion, whether caused by fresh or salt water, [or] any dam forming a lake or pond that benefits abutting properties or any open space reserved for future accommodation or establishment of wetlands or watercourses, and shall include any easements, rights-of-way and riparian rights which may be required in furtherance of any such system.

(b) In planning for and conducting its activities, such board (1) shall consider all applicable regional and municipal hazard mitigation plans, resilience plans and identifications of vulnerable communities, as defined in subsection (a) of section 16-243y, as well as all applicable municipal plans of conservation and development adopted pursuant to section 8-23, and (2) may consult with the Connecticut Institute for Resilience and Climate Adaptation.

Sec. 6. Section 25-86 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2021*):

Such board is authorized to enter upon and to take and hold, by purchase, condemnation or otherwise, any real property or interest therein which it determines is necessary for use in connection with the flood [or] prevention, climate resilience and erosion control system. Whenever the board is unable to agree with the owner of any such property as to the compensation to be paid for the taking thereof, the board, in the name of the municipality, may bring condemnation proceedings in accordance with the procedure provided by part I of chapter 835 for condemnation by municipal corporations generally. In such case, the court or judge may permit immediate possession of such property by the board in accordance with the procedure provided by said chapter.

Sec. 7. Section 25-87 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2021*):

At any time after voting to acquire, construct, [or] reconstruct, operate or maintain any flood [or] prevention, climate resilience and erosion control system or portion thereof, the board in its discretion may elect to defray the cost thereof by issuing bonds or other evidences of debt, [or] from general taxation, special assessment, federal, state or private grant funds or any combination thereof or by drawing upon a municipal Climate Change and Coastal Resiliency Reserve Fund created pursuant to section 7-159d, as amended by this act. If it elects to defray any part of such cost from special assessment, it may apportion and assess such part upon the lands and buildings in the municipality which, in its judgment, are especially benefited thereby, whether they abut on such flood [or] prevention, climate resilience and erosion control system or not, and upon the owners of such lands and buildings, subject to the right of appeal as hereinafter provided. Such assessment may include a proportionate share of any expenses incidental to the completion of such flood [or] prevention, climate resilience and erosion control system, such as fees and expenses of attorneys, engineers, surveyors, superintendents or inspectors, the cost of any property purchased or acquired for such work, interest on securities, the cost of preparing maps, plans and specifications, the cost to reconstruct, repair, maintain, supervise, operate and manage such system and the cost of printing, publishing or serving advertisements or notices incidental thereto. The board may divide the total territory to be benefited by any flood [or] prevention, climate resilience and erosion control system into sections and may levy assessments against the property benefited in each section separately. In assessing benefits against the property in any section, the board may add to the cost of the part of the flood [or] prevention, climate resilience and erosion control system located in such section a proportionate share of the cost of any part of such system located outside the section which is useful for the operation or effectiveness of that part of such system within the section and of any of the other items of cost or expense above enumerated.

Sec. 8. Section 25-92 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2021*):

The proceeds of such assessments, whether or not pledged for the payment of securities, shall be segregated from other funds of the municipality and shall be used only to pay for the construction, **[**or**]** reconstruction, repair, maintenance, supervision, operation or management of the flood **[**or**]** prevention, climate resilience and erosion control system or particular portion thereof in respect to which such assessments are made or, as the case may be, for the payment of the interest on or principal of any securities issued to pay for such system or particular portion thereof.

Sec. 9. Section 25-94 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2021*):

Any flood prevention, climate resilience and erosion control board established under section 25-84, any such board or commission established by special act or any district having as one of its powers and purposes the right to construct or maintain a flood prevention, climate resilience and erosion control system under chapter 105, acting through its officers, is authorized to negotiate, cooperate and enter into agreements with (1) the United States, (2) the United States and the state of Connecticut, **[**or**]** (3) the state of Connecticut, or (4) one or more municipalities in the state of Connecticut, in order to satisfy the conditions imposed by the United States or the state of Connecticut in authorizing any system for the improvement of navigation of any harbor or river and for **[**protection of property against damage by floods or by erosion**]** constructing, reconstructing, operating or maintaining any flood prevention, climate resilience and erosion control system, provided such system shall have been approved by the Commissioner of Energy and Environmental Protection.

Sec. 10. Section 25-95 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2021*):

The state, acting through the Commissioner of Energy and Environmental Protection, may enter into agreements with such local authority authorized to contract under section 25-94, as amended by this act, for the purpose of constructing projects or systems to prevent, correct and arrest [erosion and] flood damage and impacts of climate change within the boundaries of the state. The plans, specifications, system and construction shall be under the direct control and supervision of the commissioner. The contract shall describe (1) the nature and extent of the system, (2) the amount of the cost to the state, (3) the share to be paid by the district or board, and (4) the method of financing the payment by such local authority, all of which shall be subject to the approval of the commissioner.

Sec. 11. Section 25-97 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2021*):

When any such improvement or protection project or system is located within two or more municipalities, such municipalities, acting by their individual or joint flood prevention, climate resilience and erosion control boards, as applicable, are authorized to undertake jointly any such action as is authorized by sections 25-94 and 25-95, as amended by this act, and the cost to each board shall be determined by [the Commissioner of Energy and Environmental Protection] mutual agreement of the municipalities involved.

Sec. 12. Section 25-98 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2021*):

In carrying out the purposes for which it was established, any local authority authorized to contract under section 25-94, as amended by this act, may (1) accept, receive and expend gifts, devises or bequests of money, lands or other properties to be applied and expended in the manner provided herein, and (2) apply for and receive grants from state, federal and private sources.

Sec. 13. Section 7-326 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2021*):

At such meeting, the voters may establish a district for any or all of the following purposes: To extinguish fires, to light streets, to plant and care for shade and ornamental trees, to construct and maintain roads, sidewalks, crosswalks, drains and sewers, to appoint and employ watchmen or police officers, to acquire, construct, maintain and regulate the use of recreational facilities, to plan, lay out, acquire, construct, reconstruct, repair, maintain, supervise and manage a flood **[**or**]** prevention, climate resilience and erosion control system, to plan, lay out, acquire, construct, maintain, operate and regulate the use of a community water system, to collect garbage, ashes and all other refuse matter in any portion of such district and provide for the disposal of such matter, to implement tick control measures, to install highway sound barriers, to maintain water quality in lakes that are located solely in one town in this state, to establish a zoning commission and a zoning board of appeals or a planning commission, or both, by adoption of chapter 124 or chapter 126, excluding section 8-29, or both chapters, as the case may be, which commissions or board shall be dissolved upon adoption by the town of subdivision or zoning regulations by the town planning or zoning commission, to adopt building regulations, which regulations shall be superseded upon adoption by the town of building regulations, and to provide ferry service. Any district may contract with a town, city, borough or other district for carrying out any of the purposes for which such district was established.

Sec. 14. Subsection (a) of section 7-328 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2021*):

(a) The territorial limits of the district shall constitute a separate taxing district, and the assessor or assessors of the town shall separate the property within the district from the other property in the town and shall annually furnish the clerk of the district with a copy of the grand list of all property in the district after it has been completed by the board of assessment appeals of the town. If the legislative body of the town elects, pursuant to section 12-62c, to defer all or any part of the amount of the increase in the assessed value of real property in the year a revaluation becomes effective and in any succeeding year in which such deferment is allowed, the grand list furnished to the clerk of the district for each such year shall reflect assessments based upon such deferment. When the district meeting has fixed the tax rate, the clerk shall prepare a rate bill, apportioning to each owner of property his proportionate share of the taxes, which rate bill, when prepared, shall be delivered to the treasurer; and the district and the treasurer thereof shall have the same powers as towns and collectors of taxes to collect and enforce payment of such taxes, and such taxes when laid shall be a lien upon the property in the same manner as town taxes, and such liens may be continued by certificates recorded in the land record office of the town, and foreclosed in the same manner as liens for town taxes or enforced in accordance with any provision of the general statutes for the collection of property taxes. The assessor or board of assessment appeals shall promptly forward to the clerk of the district any certificate of correction or notice of any other lawful change to the grand list of the district. The district clerk shall, within ten days of receipt of any such certificate or notice, forward a copy thereof to the treasurer, and the assessment of the property for which such certificate or notice was issued and the rate bill related thereto shall be corrected accordingly. If the district constructs any drain, sewer, sidewalk, curb or gutter, such proportion of the cost thereof as such district determines may be assessed by the board of directors, in the manner prescribed by such district, upon the property specially benefited by such drain, sewer, sidewalk, curb or gutter, and the balance of such costs shall be paid from the general funds of the district. In the construction of any flood **[**or**]** prevention, climate resilience and erosion control system, the cost to such district may be assessed and shall be payable in accordance with sections 25-87 to 25-93, inclusive, as amended by this act. The cost for the maintenance of water quality in a lake shall be assessed on the land in a district and payment shall be apportioned equally among the owners of parcels of property. Subject to the provisions of the general statutes, the district may issue bonds and the board of directors may pledge the credit of the district for any money borrowed for the construction of any public works or the acquisition of recreational facilities authorized by sections 7-324 to 7-329, inclusive, and such board shall keep a record of all notes, bonds and certificates of indebtedness issued, disposed of or pledged by the district. All moneys received by the directors on behalf of the district shall be paid to the treasurer. No contract or obligation which involves an expenditure in the amount of (1) ten thousand dollars or more in districts where the grand list is less than or equal to twenty million dollars, or (2) twenty thousand dollars or more in districts where the grand list is greater than twenty million dollars, in any one year shall be made by the board of directors, unless the same is specially authorized by a vote of the district, nor shall the directors borrow money without like authority. The clerk of the district shall give written notice to the treasurer of the town in which the district is located of any final decision of the board of directors to borrow money, not later than thirty days after the date of such decision. The district may adopt ordinances, with penalties to secure their enforcement, for the purpose of regulating the carrying out of the provisions of sections 7-324 to 7-329, inclusive, and defining the duties and compensation of its officers and the manner in which their duties shall be carried out.

Sec. 15. Section 22a-113p of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2021*):

The commission may review and make recommendations, consistent with the plan, on any proposal affecting the real property on, in or contiguous to the harbor that is received by any zoning commission, planning commission or combined planning and zoning commission, zoning board of appeals, historic district commissions, flood <u>prevention, climate resilience</u> and erosion control board, harbor improvement agency, port authority, redevelopment agency, shellfish commission, sewer commission, water pollution control authority or special district with zoning or other land use authority. Such agencies shall send a copy of any such proposal to the commission upon the request of such commission. The commission shall be notified of any such proposal at least thirty-five days prior to the commencement of the hearing thereon or where no hearing is held, at least thirty-five days prior to the taking of any final action on the proposal. The local agency authorized to act on the proposal shall consider the recommendations of the commission. A two-thirds vote of all the members of the local agency having authority to act on the proposal shall be required to approve a proposal which has not received a favorable recommendation from the commission, provided that the provisions of this section shall not be deemed to alter the authority of the agency having primary jurisdiction over the proposal to deny, modify or condition the proposal. Failure of the commission to submit a recommendation shall be deemed to be approval of the proposal.

Sec. 16. Subdivision (2) of subsection (e) of section 22a-361 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2021*):

(2) The commissioner may require that any person, firm or corporation, public, municipal or private, who removes sand, gravel or other material lying waterward of the mean high water mark of the tidal, coastal or navigable waters shall make available such sand, gravel or other material of appropriate grain size and composition to any coastal municipality or to any district established pursuant to chapter 105 or by special act to plan, lay out, acquire, construct, reconstruct, repair, maintain, supervise and manage a flood **[**or**]** prevention, climate resilience and erosion control system. Such sand, gravel or other material shall be offered for the purposes of an appropriately authorized beach nourishment or habitat restoration project and shall be available (A) to municipalities for the cost of transporting such sand, gravel or other material, and (B) to districts for a reasonable fee.

Sec. 17. Section 25-76 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2021*):

The Commissioner of Energy and Environmental Protection is authorized to negotiate, cooperate and enter into agreements with the federal government and with any municipality through its flood <u>prevention, climate resilience</u> and erosion control board for the purpose of constructing small flood control systems or tidal and hurricane protection and navigation projects including dams, dikes, flood walls, reservoirs, river channel improvements and such other works as are necessary to reduce or prevent damages due to floods, including projects constructed under the provisions of Title 33, Chapter 15, Section 701s, of the United States Code, as amended. The commissioner is authorized to use nonstructural measures of flood control, including but not limited to, acquisition of real property which the commissioner determines is reasonably necessary for use in connection with such systems or projects, by purchase, lease or gift or by condemnation in the manner provided by part I of chapter 835. The commissioner is authorized to give assurances to the federal government that the state will hold and save the United States free from damages due to the construction works and that the state will pay cash contributions as may be required as a local contribution for any flood control system or project undertaken by the federal government or by the state, subject to reimbursement as provided in sections 25-71 and 25-72, except that, for tidal and hurricane protection and navigation projects, such reimbursement shall be not less than fifty per cent.

Sec. 18. Subsection (c) of section 7-159d of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2021*):

(c) The budget-making authority of such municipality may, from time to time, direct the treasurer to invest a portion of such Climate Change and Coastal <u>Resiliency</u> Reserve Fund as in the opinion of such authority is advisable, provided: (1) Not more than forty per cent, or with respect to such a reserve fund for which the budget-making authority has adopted an asset allocation and investment policy, fifty per cent, of the total amount of such reserve fund shall be invested in equity securities, and (2) any portion of such reserve fund not invested pursuant to subdivision (1) of this subsection may be invested in: (A) Bonds or obligations of, or guaranteed by, the state or the United States, or agencies or instrumentalities of the United States, (B) certificates of deposit, commercial paper, savings accounts and bank acceptances, (C) the obligations of any state of the United States or any political subdivision thereof or the obligations of any instrumentality, authority or agency of any state or political subdivision thereof, if, at the time of investment, such obligations are rated in the top rating categories of any nationally recognized rating service or of any rating service recognized by the Banking Commissioner, and applicable to such obligations, (D) the obligations of any regional school district in this state, of any municipality in this state or any metropolitan district in this state, if, at the time of investment, such obligations of such government entity are rated in one of the top two rating categories of any nationally recognized rating service or of any rating service recognized by the Banking Commissioner, and applicable to such obligations, (E) in any fund in which a trustee may invest pursuant to section 36a-353, (F) investment agreements with financial institutions whose long-term obligations are rated in the top two rating categories of any nationally recognized rating service or of any rating service recognized by the Banking Commissioner or whose short-term obligations are rated in the top rating category of any nationally recognized rating service or of any rating service recognized by the Banking Commissioner, or (G) investment agreements fully secured by obligations of, or guaranteed by, the United States or agencies or instrumentalities of the United States.

Sec. 19. Subsections (a) to (d), inclusive, of section 16-245n of the general statutes are repealed and the following is substituted in lieu thereof (*Effective July 1, 2021*):

(a) For purposes of this section<u>:</u> **[**, "clean energy"**]**

<u>(1) "Carbon offsets" means any activity that compensates for the emission of carbon dioxide or other greenhouse gases by providing for an emission reduction elsewhere;</u>

(2) "Clean energy" means solar photovoltaic energy, solar thermal, geothermal energy, wind, ocean thermal energy, wave or tidal energy, fuel cells, landfill gas, hydropower that meets the low-impact standards of the Low-Impact Hydropower Institute, hydrogen production and hydrogen conversion technologies, low emission advanced biomass conversion technologies, alternative fuels, used for electricity generation including ethanol, biodiesel or other fuel produced in Connecticut and derived from agricultural produce, food waste or waste vegetable oil, provided the Commissioner of Energy and Environmental Protection determines that such fuels provide net reductions in greenhouse gas emissions and fossil fuel consumption, usable electricity from combined heat and power systems with waste heat recovery systems, thermal storage systems, other energy resources and emerging technologies which have significant potential for commercialization and which do not involve the combustion of coal, petroleum or petroleum products, municipal solid waste or nuclear fission, financing of energy efficiency projects, projects that seek to deploy electric, electric hybrid, natural gas or alternative fuel vehicles and associated infrastructure, any related storage, distribution, manufacturing technologies or facilities and any Class I renewable energy source, as defined in section 16-1; **[.]**

(3) "Ecosystem services" means benefits obtained from ecosystems, including, but not limited to, (A) provisioning services such as food and water, (B) regulating services such as regulation of floods, drought, land degradation and disease, and (C) supporting services such as soil formation and nutrient cycling; and

(4) "Environmental infrastructure" means structures, facilities, systems, services and improvement projects related to (A) water, (B) waste and recycling, (C) climate adaptation and resiliency, (D) agriculture, (E) land conservation, (F) parks and recreation, and (G) environmental markets, including, but not limited to, carbon offsets and ecosystem services.

(b) On and after July 1, 2004, the Public Utilities Regulatory Authority shall assess or cause to be assessed a charge of not less than one mill per kilowatt hour charged to each end use customer of electric services in this state which shall be deposited into the Clean Energy Fund established under subsection (c) of this section.

(c) (1) There is hereby created a Clean Energy Fund which shall be within the Connecticut Green Bank. The fund may receive any amount required by law to be deposited into the fund and may receive any federal funds as may become available to the state for clean energy investments. Upon authorization of the Connecticut Green Bank established pursuant to subsection (d) of this section, any amount in said fund may be used for expenditures that promote investment in clean energy in accordance with a comprehensive plan developed by it to foster the growth, development and commercialization of clean energy sources, related enterprises and stimulate demand for clean energy and deployment of clean energy sources that serve end use customers in this state and for the further purpose of supporting operational demonstration projects for advanced technologies that reduce energy use from traditional sources. Such expenditures may include, but not be limited to, providing low-cost financing and credit enhancement mechanisms for clean energy projects and technologies, reimbursement of the operating expenses, including administrative expenses incurred by the Connecticut Green Bank [and Connecticut Innovations, Incorporated,] and capital costs incurred by the Connecticut Green Bank in connection with the operation of the fund, the implementation of the plan developed pursuant to subsection (d) of this section or the other permitted activities of the Connecticut Green Bank, disbursements from the fund to develop and carry out the plan developed pursuant to subsection (d) of this section, grants, direct or equity investments, contracts or other actions which support research, development, manufacture, commercialization, deployment and installation of clean energy technologies, and actions which expand the expertise of individuals, businesses and lending institutions with regard to clean energy technologies.

(2) (A) There is hereby created an Environmental Infrastructure Fund

which shall be within the Connecticut Green Bank. The fund may receive any amount required by law to be deposited into the fund and may receive any federal funds as may become available to the state for environmental infrastructure investments, except that the fund shall not receive: (i) Ratepayer or Regional Greenhouse Gas Initiative funds, (ii) funds that have been deposited in, or are required to be deposited in, an account of the Clean Water Fund pursuant to sections 22a-475 to 22a-438f, inclusive, or (iii) funds collected from a water company, as defined in section 25-32a.

(B) Upon authorization of the Connecticut Green Bank established pursuant to subsection (d) of this section, any amount in said fund may be used for expenditures that promote investment in environmental infrastructure in accordance with a comprehensive plan developed by it to foster the growth, development, commercialization and, where applicable, preservation of environmental infrastructure and related enterprises, except any project or purpose eligible for funding pursuant to sections 22a-475 to 22a-483f, inclusive. Such expenditures may include, but not be limited to, providing low-cost financing and credit enhancement mechanisms for projects and technologies, reimbursement of the operating expenses, including administrative expenses incurred by the Connecticut Green Bank, and capital costs incurred by the Connecticut Green Bank in connection with the operation of the fund, the implementation of the plan developed pursuant to subsection (d) of this section or the other permitted activities of the Connecticut Green Bank, disbursements from the fund to develop and carry out the plan developed pursuant to subsection (d) of this section, grants, direct or equity investments, contracts or other actions which support research, development, manufacture, commercialization, deployment and installation of environmental infrastructure and actions which expand the expertise of individuals, businesses and lending institutions with regard to environmental infrastructure.

(d) (1) (A) The Connecticut Green Bank is hereby established and created as a body politic and corporate, constituting a public instrumentality and political subdivision of the state of Connecticut established and created for the performance of an essential public and governmental function. The Connecticut Green Bank shall not be construed to be a department, institution or agency of the state.

(B) The Connecticut Green Bank shall (i) develop separate programs to finance and otherwise support clean energy <u>and environmental infrastructure</u> investment in residential, municipal, small business and larger commercial projects and such others as the Connecticut Green Bank may determine; (ii) support financing or other expenditures that promote investment in clean energy sources <u>and environmental infrastructure</u> in accordance with a comprehensive plan developed by it to foster the growth, development and commercialization of clean energy sources<u>, environmental infrastructure</u> and related enterprises; and (iii) stimulate demand for clean energy and the deployment of clean energy sources within the state that serve end use customers in the state.

(C) The Clean Energy Finance and Investment Authority shall constitute a successor agency to Connecticut Innovations, Incorporated, for the purposes of administering the Clean Energy Fund in accordance with section 4-38d. The Connecticut Green Bank shall constitute a successor agency to the Clean Energy Finance and Investment Authority for purposes of administering the Clean Energy Fund in accordance with section 4-38d. The Connecticut Green Bank shall have all the privileges, immunities, tax exemptions and other exemptions of Connecticut Innovations, Incorporated, with respect to said fund. <u>The Connecticut Green Bank shall administer the Environmental Infrastructure Fund.</u> The Connecticut Green Bank shall be subject to suit and liability solely from the assets, revenues and resources of said bank and without recourse to the general funds, revenues, resources or other assets of Connecticut Innovations, Incorporated. The Connecticut Green Bank may provide financial assistance in the form of grants, loans, loan guarantees or debt and equity investments, as approved in accordance with written procedures adopted pursuant to section 1-121. The Connecticut Green Bank may assume or take title to any real property, convey or dispose of its assets and pledge its revenues to secure any borrowing, convey or dispose of its assets and pledge its revenues to secure any borrowing, for the purpose of developing, acquiring, constructing, refinancing, rehabilitating or improving its assets or supporting its programs, provided each such borrowing or mortgage, unless otherwise provided by the board or said bank, shall be a special obligation of said bank, which obligation may be in the form of bonds, bond anticipation notes or other obligations which evidence an indebtedness to the extent permitted under this chapter to fund, refinance and refund the same and provide for the rights of holders thereof, and to secure the same by pledge of revenues, notes and mortgages of others, and which shall be payable solely from the assets, revenues and other resources of said bank and such bonds may be secured by a special capital reserve fund contributed to by the state, provided that any bond secured by such special capital reserve fund shall have a maturity not exceeding twenty-five years. The Connecticut Green Bank shall have the purposes as provided by resolution of said bank's board of directors, which purposes shall be consistent with this section. No further action is required for the establishment of the Connecticut Green Bank, except the adoption of a resolution for said bank.

(D) In addition to, and not in limitation of, any other power of the Connecticut Green Bank set forth in this section or any other provision of the general statutes, said bank shall have and may exercise the following powers in furtherance of or in carrying out its purposes:

(i) To have perpetual succession as a body corporate and to adopt bylaws, policies and procedures for the regulation of its affairs and the conduct of its business;

(ii) To make and enter into all contracts and agreements that are necessary or incidental to the conduct of its business;

(iii) To invest in, acquire, lease, purchase, own, manage, hold, sell and dispose of real or personal property or any interest therein;

(iv) To borrow money or guarantee a return to investors or lenders;

(v) To hold patents, copyrights, trademarks, marketing rights, licenses or other rights in intellectual property;

(vi) To employ such assistants, agents and employees as may be necessary or desirable, who shall be exempt from the classified service and shall not be employees, as defined in subsection (b) of section 5-270; establish all necessary or appropriate personnel practices and policies, including those relating to hiring, promotion, compensation and retirement, and said bank shall not be an employer, as defined in subsection (a) of section 5-270; and engage consultants, attorneys, financial advisers, appraisers and other professional advisers as may be necessary or desirable;

(vii) To invest any funds not needed for immediate use or disbursement pursuant to investment policies adopted by said bank's board of directors;

(viii) To procure insurance against any loss or liability with respect to its property or business of such types, in such amounts and from such insurers as it deems desirable;

(ix) To enter into joint ventures and invest in, and participate with any person, including, without limitation, government entities and private corporations, in the formation, ownership, management and operation of business entities, including stock and nonstock corporations, limited liability companies and general or limited partnerships, formed to advance the purposes of said bank, provided members of the board of directors or officers or employees of said bank may serve as directors, members or officers of any such business entity, and such service shall be deemed to be in the discharge of the duties or within the scope of the employment of any such director, officer or employee, as the case may be, so long as such director, officer or employee does not receive any compensation or financial benefit as a result of serving in such role;

(x) To enter into a memorandum of understanding or other arrangements with Connecticut Innovations, Incorporated, with respect to the provision or sharing of space, office systems or staff administrative support, on such terms as may be agreed to between said bank and Connecticut Innovations, Incorporated; and

(xi) To do all other acts and things necessary or convenient to carry out the purposes of said bank.

(E) (i) The Connecticut Green Bank may form one or more subsidiaries to carry out the purposes of said bank, as described in subparagraph (B) of subdivision (1) of this subsection, and may transfer to any such subsidiary any moneys and real or personal property of any kind or nature. Any subsidiary may be organized as a stock or nonstock corporation or a limited liability company. Each such subsidiary shall have and may exercise such powers of said bank, as set forth in the resolution of the board of directors of said bank prescribing the purposes for which such subsidiary is formed, and such other powers provided to it by law.

(ii) No such subsidiary of said bank shall be deemed a quasi-public agency for purposes of chapter 12. **[**and no such subsidiary shall**]** No such subsidiary of said bank shall have all the privileges, immunities, tax exemptions and other exemptions of said bank, unless such subsidiary is a single member limited liability company that is disregarded as an entity separate from its owner. In no event shall any such subsidiary have the power to hire or otherwise retain employees. The governing documents of any such subsidiary shall provide for the dissolution of such subsidiary upon the completion of the purpose for which such subsidiary was formed. Each such subsidiary may sue and shall be subject to suit, provided its liability shall be limited solely to the assets, revenues and resources of the subsidiary and without recourse to the general funds, revenues, resources or any other assets of said bank. Each such subsidiary is authorized to assume or take title to property subject to any existing lien, encumbrance or mortgage and to mortgage, convey or dispose of its assets and pledge its revenues to secure any borrowing, provided each such borrowing or mortgage shall be a special obligation of the subsidiary, which obligation may be in the form of bonds, bond anticipation notes and other obligations, to fund and refund the same and provide for the rights of the holders thereof, and to secure the same by a pledge of revenues, notes and other assets and which shall be payable solely from the revenues, assets and other resources of the subsidiary. The Connecticut Green Bank may assign to a subsidiary any rights, moneys or other assets it has under any governmental program. No subsidiary of said bank shall borrow without the approval of the board of directors of said bank.

(iii) Each such subsidiary shall act through its board of directors or managing members, at least one-half of which shall be members of the board of directors of said bank or their designees or officers or employees of said bank.

(iv) The provisions of section 1-125 and this subsection shall apply to any officer, director, designee or employee appointed as a member, director or officer of any such subsidiary. Any such person so appointed shall not be personally liable for the debts, obligations or liabilities of any such subsidiary as provided in section 1-125. The subsidiary shall, and said bank may, save harmless and indemnify such officer, director, designee or employee as provided by section 1-125.

(v) The Connecticut Green Bank, or such subsidiary, may take such actions as are necessary to comply with the provisions of the Internal Revenue Code of 1986, or any subsequent corresponding internal revenue code of the United States, as amended from time to time, to qualify and maintain any such subsidiary as a corporation exempt from taxation under said code.

(vi) The Connecticut Green Bank may make loans to each such subsidiary from its assets and the proceeds of its bonds, notes and other obligations, provided the source and security for the repayment of such loans is derived from the assets, revenues and resources of the subsidiary.

(2) (A) The Connecticut Green Bank may seek to qualify as a Community Development Financial Institution under Section 4702 of

the United States Code. If approved as a Community Development Financial Institution, said bank would be treated as a qualified community development entity for purposes of Section 45D and Section 1400N(m) of the Internal Revenue Code.

(B) Before making any loan, loan guarantee, or such other form of financing support or risk management for a clean energy <u>or environmental infrastructure</u> project, the Connecticut Green Bank shall develop standards to govern the administration of said bank through rules, policies and procedures that specify borrower eligibility, terms and conditions of support, and other relevant criteria, standards or procedures.

(C) Funding sources specifically authorized include, but are not limited to:

(i) Funds repurposed from existing programs providing financing support for clean energy projects, provided any transfer of funds from such existing programs shall be subject to approval by the General Assembly and shall be used for expenses of financing, grants and loans;

(ii) Any federal funds that can be used for the purposes specified in subsection (c) of this section<u>, provided such funds are not required to be deposited in the accounts of the Clean Water Fund pursuant to sections 22a-475 to 22a-483f, inclusive</u>;

(iii) Charitable gifts, grants, contributions as well as loans from individuals, corporations, university endowments and philanthropic foundations;

(iv) Earnings and interest derived from financing support activities for clean energy <u>and environmental infrastructure</u> projects backed by the Connecticut Green Bank;

(v) If and to the extent that the Connecticut Green Bank qualifies as a Community Development Financial Institution under Section 4702 of the United States Code, funding from the Community Development

Financial Institution Fund administered by the United States Department of Treasury, as well as loans from and investments by depository institutions seeking to comply with their obligations under the United States Community Reinvestment Act of 1977; and

(vi) The Connecticut Green Bank may enter into contracts with private sources to raise capital. The average rate of return on such debt or equity shall be set by the board of directors of said bank.

(D) The Connecticut Green Bank may provide financing support under this subsection if said bank determines that the amount to be financed by said bank and other nonequity financing sources do not exceed **[**eighty**]** <u>one hundred</u> per cent of the cost to develop and deploy a clean energy project or **[**up to one hundred per cent of the cost of financing an energy efficiency**]** <u>an environmental infrastructure</u> project.

(E) The Connecticut Green Bank may assess reasonable fees on its financing activities to cover its reasonable costs and expenses, as determined by the board.

(F) The Connecticut Green Bank shall make information regarding the rates, terms and conditions for all of its financing support transactions available to the public for inspection, including formal annual reviews by both a private auditor conducted pursuant to subdivision (2) of subsection (f) of this section and the Comptroller, and providing details to the public on the Internet, provided public disclosure shall be restricted for patentable ideas, trade secrets, proprietary or confidential commercial or financial information, disclosure of which may cause commercial harm to a nongovernmental recipient of such financing support and for other information exempt from public records disclosure pursuant to section 1-210.

<u>(G) The Connecticut Green Bank shall not apply, directly or through a subsidiary, to be eligible for grants under (i) the Clean Water Act, 33 USC 1251 et seq., as amended from time to time, without the approval of the State Treasurer and the Commissioner of Energy and Environmental Protection, or (ii) the Safe Drinking Water Act, 42 USC</u>

300f et seq., as amended from time to time, without the approval of the State Treasurer and the Commissioner of Public Health.

(3) No director, officer, employee or agent of the Connecticut Green Bank, while acting within the scope of his or her authority, shall be subject to any personal liability resulting from exercising or carrying out any of the Connecticut Green Bank's purposes or powers.

Sec. 20. Subsection (f) of section 16-245n of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2021*):

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

(2) The Clean Energy Fund and the Environmental Infrastructure Fund shall be audited annually. Such audits shall be conducted with generally accepted auditing standards by independent certified public accountants certified by the State Board of Accountancy. Such accountants may be the accountants for the Connecticut Green Bank.

(3) Any entity that receives financing for a clean energy or environmental infrastructure project from the **[**fund**]** Clean Energy Fund or the Environmental Infrastructure Fund shall provide the board an annual statement, certified as correct by the chief financial officer of the recipient of such financing, setting forth all sources and uses of funds in such detail as may be required by the bank for such project. The Connecticut Green Bank shall maintain any such audits for not less than five years. Residential projects for buildings with one to four dwelling

units are exempt from this and any other annual auditing requirements, except that residential projects may be required to grant their utility companies' permission to release their usage data to the Connecticut Green Bank.

Sec. 21. Subdivision (1) of subsection (e) of section 16-245n of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2021*):

(e) (1) The powers of the Connecticut Green Bank shall be vested in and exercised by a board of directors, which shall consist of [eleven] twelve voting members and [two] one nonvoting [members] member each with knowledge and expertise in matters related to the purpose and activities of said bank appointed as follows: The Treasurer or the Treasurer's designee, the Commissioner of Energy and Environmental Protection or the commissioner's designee, [and] the Commissioner of Economic and Community Development or the commissioner's designee, and the Secretary of the Office of Policy and Management or the secretary's designee, each serving ex officio, one member who shall represent a residential or low-income group appointed by the speaker of the House of Representatives for a term of four years, one member who shall have experience in investment fund management appointed by the minority leader of the House of Representatives for a term of three years, one member who shall represent an environmental organization appointed by the president pro tempore of the Senate for a term of four years, and one member who shall have experience in the finance or deployment of renewable energy appointed by the minority leader of the Senate for a term of four years. Thereafter, such members of the General Assembly shall appoint members of the board to succeed such appointees whose terms expire and each member so appointed shall hold office for a period of four years from the first day of July in the year of his or her appointment. The Governor shall appoint four members to the board as follows: Two for two years who shall have experience in the finance of renewable energy; one for four years who shall be a representative of a labor organization; and one for four years who shall have experience in research and development or manufacturing of clean energy. Thereafter, the Governor shall appoint members of the board to succeed such appointees whose terms expire and each member so appointed shall hold office for a period of four years from the first day of July in the year of his or her appointment. The president of the Connecticut Green Bank shall be elected by the members of the board. The president of the Connecticut Green Bank shall serve on the board in an ex-officio, nonvoting capacity. The Governor shall appoint the chairperson of the board. The board shall elect from its members a vice chairperson and such other officers as it deems necessary and shall adopt such bylaws and procedures it deems necessary to carry out its functions. The board may establish committees and subcommittees as necessary to conduct its business.

Sec. 22. Subsection (g) of section 16-245mm of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2021*):

(g) Notwithstanding any other provision contained in this section, the aggregate amount of bonds secured by such special capital reserve fund authorized to be created and established by this section shall not exceed **[**one hundred**]** two hundred fifty million dollars.

Sec. 23. Subsection (c) of section 16-245kk of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2021*):

(c) The bonds may be issued as serial bonds or as term bonds, or the Connecticut Green Bank, in its discretion, may issue bonds of both types. The bonds shall be authorized by resolution of the members of the board of directors of said bank and shall bear such date or dates, mature at such time or times, not exceeding **[**twenty**]** twenty-five years for bonds issued for clean energy and fifty years for bonds issued for environmental infrastructure from their respective dates and in each case not to exceed the expected useful life of the underlying project or projects, bear interest at such rate or rates, be payable at such time or times, be in such denominations, be in such form, either coupon or registered, carry such registration privileges, be executed in such manner, be payable in lawful money of the United States at such place or places, and be subject to such terms of redemption, as such resolution or resolutions may provide. The bonds or notes may be sold at public or private sale for such price or prices as said bank shall determine. The power to fix the date of sale of bonds, to receive bids or proposals, to award and sell bonds, and to take all other necessary action to sell and deliver bonds may be delegated to the chairperson or vice-chairperson of the board, a subcommittee of the board or other officers of said bank by resolution of the board. The exercise of such delegated powers may be made subject to the approval of a majority of the members of the board which approval may be given in the manner provided in the bylaws of said bank. Pending preparation of the definitive bonds, said bank may issue interim receipts or certificates which shall be exchanged for such definitive bonds.

This act shall take effect as follows and shall amend the following sections:		
Section 1	*July 1, 2021*	22a-498
Sec. 2	*July 1, 2021*	22a-498a
Sec. 3	*July 1, 2021*	22a-498b
Sec. 4	*July 1, 2021*	25-84
Sec. 5	*July 1, 2021*	25-85
Sec. 6	*July 1, 2021*	25-86
Sec. 7	*July 1, 2021*	25-87
Sec. 8	*July 1, 2021*	25-92
Sec. 9	*July 1, 2021*	25-94
Sec. 10	*July 1, 2021*	25-95
Sec. 11	*July 1, 2021*	25-97
Sec. 12	*July 1, 2021*	25-98
Sec. 13	*July 1, 2021*	7-326
Sec. 14	*July 1, 2021*	7-328(a)
Sec. 15	*July 1, 2021*	22a-113p
Sec. 16	*July 1, 2021*	22a-361(e)(2)
Sec. 17	*July 1, 2021*	25-76
Sec. 18	*July 1, 2021*	7-159d(c)
Sec. 19	*July 1, 2021*	16-245n(a) to (d)

Sec. 20	*July 1, 2021*	16-245n(f)
Sec. 21	*July 1, 2021*	16-245n(e)(1)
Sec. 22	*July 1, 2021*	16-245mm(g)
Sec. 23	*July 1, 2021*	16-245kk(c)

The following Fiscal Impact Statement and Bill Analysis are prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and do not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.

OFA Fiscal Note

State Impact:

Agency Affected	Fund-Effect	FY 22 $	FY 23 $
Treasurer, Debt Serv.	GF - Cost	See Below	See Below
Various State Agencies	Various - Cost	Potential Minimal	Potential Minimal

Note: GF=General Fund; Various=Various

Municipal Impact:

Municipalities	Effect	FY 22 $	FY 23 $
Various Municipalities	Cost/Savings	See Below	See Below

Explanation

The bill allows any municipality to establish a stormwater authority. It also expand these authorities' ability to assess fees, and establish a process for municipalities to approve fees.

In municipalities that establish stormwater authorities, the bill potentially shifts the cost of certain stormwater management projects to stormwater authorities. This results in a savings to those municipalities to the extent that they would have otherwise financed those projects. The bill also results in a cost to the state and municipalities as it requires authorities to assess fees on all property within their jurisdiction. Any state or town owned property located in a stormwater authority's jurisdiction would be subject to such fees, which would vary based on the size of the property.

The bill also expands the scope and authority of municipal flood and erosion control boards. This has no fiscal impact as the bill does not provide any new funding source for these boards or mandate any new responsibilities for any municipality.

The bill expands the Connecticut Green Bank's authority to include the financing of environmental infrastructure projects and makes several changes to the Green Banks's bonding authority.

The bill increases the Green Banks's special capital reserve fund (SCRF) bond authorization from $100 million to $250 million. To the extent that additional bonds are issued, there is a potential minimal impact to the state's debt service going forward through the life of any bonds issued. As of November 2020, the Green Bank had outstanding SCRF-backed debt of $27.4 million.[1]

In order to issue SCRF-backed bonds, the Green Bank must get approval from the State Treasurer. The State Treasurer is not expected to approve the issuance of SCRF-backed bonds unless the Green Bank can show that it will be able to generate sufficient revenue from its activities to pay the debt service on the bonds and that the useful lifespan of the projects meets or exceeds the bond repayment duration.

The bill increases the allowable maturity date of the Green Bank's SCRF-backed bonds from twenty to twenty-five years. It also increases allowable maturity for non-SCRF-backed bonds from twenty to twenty-five years for clean energy projects and from twenty to fifty years for environmental infrastructure projects. To the extent that bonds with a longer term are issued, there is the potential for increased borrowing cost to the Green Bank associated with extended maturity dates. See background for more information.

These sections also establish an Environmental Infrastructure Fund that may contain funding from existing funding sources that the Bank already utilizes, such as bond funding, charitable gifts, and interest from financing activities. The administrative costs related to these provisions do not result in a fiscal impact.

[1] Source: January 2021 General Obligation Bonds Official Statement

Background

SCRF-backed bonds. SCRF-backed bonds are a contingent liability of the state.[2] The SCRF provides a higher level of repayment security, which results in a lower rate of interest on the bond issuance than the relevant market rate. In the event that the SCRF is drawn down in part or completely, a draw on the General Fund is authorized and the SCRF is fully restored. The draw on the General Fund is deemed to be appropriated and is not subject to the constitutional or statutory appropriations cap. If draws on a SCRF continue, the annual draws on the General Fund required to refill it also continue until the fund is replenished by the bond issuer or the underlying debt is repaid.

Extended maturities. Bonds are typically issued with maturities and debt service payment durations that match the expected useful life of the capital project being financed through the bonds. The state has typically kept maturities at or below 20 years, even when the useful life of projects may exceed the 20-year timeframe.

While bonds issued for longer terms typically have lower annual payments than those bonds issued for shorter terms, the amount of interest paid increases due to slower pay down of the principal balance and because financial markets typically require higher interest rates for longer issuances. An extended use of longer repayment durations may have a deleterious impact on the credit rating of the bonds being issued and/or the organization issuing such bonds. The slower repayment of principal may lead to either less funding being available for projects in the future or increasing debt levels for the life of the bonds.

House "A" eliminates a provision from the underlying bill allowing towns to implement a local real estate conveyance tax. This eliminates a revenue gain to municipalities of approximately $75.1 million annually.

The Out Years

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[2] Contingent liabilities do not count against the state's statutory limits on General Obligation bonding.

The annualized ongoing fiscal impact identified above would continue into the future subject to the establishment of municipal stormwater authorities, their responsibilities, and the fees they assess.

OLR Bill Analysis
sHB 6441 (as amended by House "A")*

AN ACT CONCERNING CLIMATE CHANGE ADAPTATION.

SUMMARY

This bill authorizes all municipalities, rather than just certain ones, to establish a municipal stormwater authority. It expands the authorities' powers to assess fees and specifies the process by which municipal legislative bodies approve the fees (§§ 1-3). The bill (1) caps the fees collected on certain hospital-owned properties at 15% of the total fees and allows for the properties to be fully exempt until FY 27; (2) restricts the fees for farm, forest, or open space land, or property owned by state or local governments and their agencies, to impervious surfaces that discharge to a municipal separate storm sewer system; and (3) requires a partial fee reduction for property owners who use certain stormwater best management practices.

The bill broadens the authority of municipal flood and erosion control boards to include flood prevention and climate resilience and allows municipalities to enter into agreements to form joint boards (§§ 4-17).

Thirdly, the bill expands the Connecticut Green Bank's duties to include developing separate programs to finance and otherwise support environmental infrastructure and establishes an Environmental Infrastructure Fund within the Green Bank for this purpose (§§ 19-23).

With respect to the Green Bank, the bill increases, from $100 million to $250 million, the amount of bonds the Green Bank may issue that are backed by a special capital reserve fund (SCRF). SCRF-backed bonds are contingent liabilities of the state; if a SCRF is exhausted, the General

Fund automatically replenishes it, regardless of the state spending cap (§ 22).

The bill also makes minor, technical, and conforming changes.

*House Amendment "A" (1) eliminates a provision establishing a municipal option conveyance fee on real property sales; (2) limits to impervious surfaces on farm, forest, and open space land areas that may be subject to the stormwater fee; and (3) adds the stormwater fee provisions for hospital-owned property, property owned by the state or local governments or their agencies, and property owners who use onsite stormwater best management practices.

EFFECTIVE DATE: July 1, 2021

§§ 1-3 — MUNICIPAL STORMWATER AUTHORITIES

Eligible Municipalities

This bill authorizes all municipalities to establish a municipal stormwater authority, rather than just the three municipalities (New Haven, New London, and Norwalk) that participated in the Department of Energy and Environmental Protection's (DEEP) municipal stormwater authority pilot program (authorized under PA 07-154).

The bill applies to any town, city, borough, consolidated town and city, or consolidated town or borough. It does not apply to local or regional school districts; municipal fire, sewer, fire and sewer, lighting, village, beach, improvement association, or other districts or associations wholly within a town that have the power to levy taxes; metropolitan districts; or other municipal corporations or authorities that may issue bonds, notes, or other obligations.

Fee Assessment

Under current law, stormwater authorities created under the pilot program must, among other things, recommend to the municipality's legislative body a levy on taxable real property in the stormwater district. The bill instead requires stormwater authorities to recommend a fee to be imposed on all real property in the district except as described below. The bill explicitly requires, rather than authorizes, the authorities to use the revenue generated to carry out any of the district's powers. It makes conforming changes to an existing provision about a stormwater authority created under the DEEP pilot program and located in a distressed municipality with a population of 28,000 or fewer (i.e., New London).

Under the bill, each stormwater authority must present its budget annually to the municipality's legislative body for approval. The budget must include (1) the specific programs the authority proposes to undertake during the fiscal year, (2) its projected expenditures for the programs, and (3) the fee amount it proposes to levy to pay for the expenditures.

The total fees proposed for the fiscal year may not exceed the total projected expenditures. Under the bill, the legislative body may approve fee amounts that are less than the authority's proposed amounts. In setting fees, the bill requires, rather than allows, authorities to consider (1) the amount of impervious surface generating stormwater runoff, (2) land use types that result in higher concentrations of stormwater pollution, and (3) the property's grand list valuation. The bill additionally requires them to consider land use types that result in lower concentrations of stormwater pollution.

The bill also caps at 15% the amount of the total fees that may be generated from properties owned by hospitals that are parties to the settlement agreement approved by Special Act 19-1, December Special Session (see *Fee Limitations and Restrictions*, below).

Fee Limitations and Restrictions

Hospital-Owned Properties. The bill caps at 15% the amount of the total stormwater authority fees that may generated from properties owned by hospitals that are parties to the settlement agreement approved by Special Act 19-1, December Special Session, concerning certain hospital fees and payments. The cap applies until FY 27 and a municipality's legislative body is responsible for ensuring that the approved fees does not exceed the cap. The bill also enables a municipality to fully exempt the hospital properties from the fee until FY 27.

Under the bill, a municipal stormwater authority must, within 30 days after the end of each fiscal year, conduct a review to ensure that not more than 15% of the total collected fees were generated from real property of the covered hospitals in the municipality. If the fees exceed the cap, the bill requires the authority to rebate the excess fees proportionally to the hospitals. Regardless, the stormwater authority must provide the results of its review, in writing, to each hospital.

Farm, Forest, or Open Space Land and Government or Agency Properties. Current law authorizes the authorities to reduce or defer stormwater fees for land classified as, or consisting of, farm, forest, or open space. The bill reduces the area of these lands that may be subject to the fee by limiting it to areas with impervious surfaces from which stormwater discharges to a municipal separate storm sewer system.

The bill also applies this limitation to properties owned by the state or local governments, or their respective agencies.

On-site Stormwater Best Management Practices. The bill also requires a stormwater authority to offer a partial fee reduction, as a credit, for property owners in its district who have installed and are operating and maintaining current stormwater best management practices that the authority approves and reduce, retain, or treat stormwater onsite.

Delinquent Fees

Under the bill, fees that are not paid in full on or before 30 days after they are due are subject to the same interest rate as delinquent property taxes (i.e., 1.5% per month). Unpaid fees and interest are a lien on the property owner's real or personal property on which the fee was levied and may be recorded and released just like property tax liens.

Under the bill, someone aggrieved by an authority's action has the same rights and remedies for appeal and relief as the law provides for property taxpayers aggrieved by an assessor's or a board of assessment appeal's action.

§§ 4-17 — FLOOD PREVENTION, CLIMATE RESILIENCE, AND EROSION CONTROL BOARDS

Scope of Authority

Current law authorizes municipalities to (1) establish a flood and erosion control board to prevent potential hazards from flooding, stream bank erosion, or beach erosion and (2) establish a separate taxing district for these purposes. These boards may plan, acquire, construct, repair, maintain, and manage a system, which may include such things as dikes, dams, piping, sea walls, jetties, tide-gates, water storage areas, or other structures or facilities.

The bill (1) increases the scope of these boards to include flood prevention and climate resilience; (2) allows them to also operate the systems; and (3) includes nonstructural and nature-based measures (e.g., altering or removing existing structures, maintaining open floodplain, and other less environmentally damaging alternatives) and open space for future accommodations or to establish wetlands or watercourses, as part of the system. It correspondingly renames these boards "flood prevention, climate resilience and erosion control boards."

The bill extends to the boards' broader scope of authority existing law's authorizations related to entering and taking property; issuing bonds; and taxing or assessing property owners, among other things.

The bill allows the boards to (1) apply for and use public or private grant funding; (2) draw upon a municipal Climate Change and Coastal Resilience Reserve Fund; and (3) additionally enter into contracts with municipalities to further the boards' purposes when related to navigation improvement projects, instead of only with the state and the federal government. The boards may also enter into agreements with the DEEP commissioner to construct projects or systems to prevent climate change impacts, as the current boards may do for their purposes.

Joint Boards

The bill allows municipalities to enter into agreements to have joint boards, but they must be approved by concurrent votes of the municipalities' legislative bodies. A joint board has authority over each municipality that is a party to the agreement.

Biannual Report

The bill establishes a biannual reporting requirement for flood prevention, climate resilience, and erosion control boards. The report must be published on the website of each municipality that is subject to the board's authority. The report must include the following:

1. an inventory and description of the flood prevention, climate resilience, and erosion control system the board manages;
2. the extent and value of property, infrastructure, and natural resources the system protects;
3. an analysis of how the system prioritizes and protects vulnerable communities, which are populations that may be disproportionately affected by climate change; and
4. the board's revenue and expenses.

Other Provisions

The bill requires the boards to consider regional and municipal hazard mitigation plans, resilience plans, identified vulnerable communities, and municipal conservation and development plans when planning for and doing their work. It also allows the boards to consult with the Connecticut Institute for Resilience and Climate Adaption for this purpose.

§§ 19-23 — CONNECTICUT GREEN BANK

Environmental Infrastructure

Green Bank Authority. The Green Bank's current duties include developing programs for, and promoting investment in, clean energy. The bill expands the Green Bank's duties to include (1) developing separate programs to finance and otherwise support environmental infrastructure and (2) promoting investment in the infrastructure.

By law, the Green Bank has standards governing its administration, including rules, policies, and procedures for such things as borrower eligibility, terms, and conditions. The law required these standards to be in place before the bank financially supported clean energy projects and the bill extends this requirement to environmental infrastructure projects. The bill applies existing requirements for clean energy funding to environmental infrastructure projects (e.g., fees, several funding sources).

Project Types. The bill expands the types of projects the Green Bank can promote investment in to include environmental infrastructure, which, under the bill, is structures, facilities, systems, services, and improvement projects related to water, waste and recycling, climate adaptation and resiliency, agriculture, land conservation, parks and recreation, and environmental markets such as carbon offsets and ecosystem services.

Under the bill, "carbon offsets" are an activity that compensates for greenhouse gas (GHG) emissions through an emission reduction. "Ecosystem services" are ecosystem benefits such as (1) provisioning services (e.g., food and water), (2) regulating services (e.g., regulating floods, drought, land degradation, and disease), and (3) supporting services (e.g., soil formation and nutrient cycling).

Environmental Infrastructure Fund Purpose. The bill requires the Green Bank's comprehensive plan to include growth, development, commercialization, and, where applicable, preservation of environmental infrastructure and related enterprises. Current law requires similar planning for clean energy purposes. The bill allows the bank to use the Environmental Infrastructure Fund to pay for expenses to promote environmental infrastructure investment, but not projects eligible for Clean Water Fund funding.

The bill allows an environmental infrastructure project to receive financing support from the Green Bank if the bank determines that the amount it and other nonequity financing sources provide does not exceed 100% of the project's cost.

As it does under existing law for clean energy, the bill requires the Green Bank to (1) develop separate programs to finance and support environmental infrastructure investment in residential, municipal, small business, and larger commercial projects, and others the Green Bank determines and (2) support financing or other expenses that promote environmental infrastructure investment, which must be done according to its comprehensive plan.

The expenses may include costs related to such things as:

1. low-cost financing and credit enhancement mechanisms for projects and technologies;
2. grants;
3. contracts or other actions to support research, development, manufacture, commercialization, deployment, and installation of environmental infrastructure;
4. actions to expand the expertise of individuals, businesses, and lending institutions regarding environmental infrastructure;
5. direct or equity investments;
6. reimbursements of operating expenses; and
7. disbursements to develop and carry out the Green Bank's comprehensive plan.

Under the bill, operating expenses may include the Green Bank's (1) administrative expenses, (2) capital costs related to fund operation, (3) plan implementation, and (4) other permitted activities.

Funding Sources. The bill's expansion of the Green Bank's duties enables the bank to use its existing bonding authority to provide financing for environmental infrastructure projects (see *Bonding*, below). As is available under existing law for clean energy projects, similar funding sources are available for financing environmental infrastructure, including such things as:

1. charitable gifts, grants, contributions, and loans from individuals, corporations, university endowments, and philanthropic foundations;

2. earnings and interest from financing support activities backed by the Green Bank; and

3. private sources, pursuant to contract.

The bill also allows the fund to receive any (1) amount required by law to be deposited into the fund and (2) federal funds that may become available to the state for environmental infrastructure investments. But it explicitly prohibits from being deposited into the fund: (1) ratepayer or Regional Greenhouse Gas Initiative funds that under existing law are used for clean energy projects, (2) funds in the state's Clean Water Fund account or that must be deposited into the account, and (3) funds collected from water companies.

The bill also prohibits the Green Bank from applying for federal clean water or safe drinking water grants without approval from the state treasurer and the DEEP or public health commissioners, respectively.

Audits and Certified Statements. The bill requires the Environmental Infrastructure Fund, like the existing Clean Energy Fund, to be annually audited. Entities receiving environmental infrastructure project funding, unless exempt under existing law (i.e., certain residential projects), must provide annual certified statements to the Green Bank's Board of Directors.

Other Provisions

Board Membership. The bill adds the Office of Policy and Management secretary, or her designee, as a voting member of the Green Bank's Board of Directors.

Bonding. The bill limits the term of bonds secured by the Green Bank's SCRF to 25 years. The bill generally (1) increases, from 20 to 25 years, the maximum term of bonds issued for clean energy projects and (2) sets the maximum term of bonds issued for environmental infrastructure projects at 50 years. But in neither case can the bond's maturity date exceed an underlying project's expected useful life.

Funding Qualification. The bill allows any eligible project, including environmental infrastructure projects (see above), to receive financing support from the Green Bank if the bank determines that the amount it and other nonequity financing sources provide does not exceed 100% of the project's cost. Current law restricts funding for clean energy projects to those for which the Green Bank and other nonequity sources provide no more than 80% of the cost.

Quasi-Public Subsidiaries. Current law prohibits Green Bank subsidiaries from being deemed quasi-public agencies with the bank's privileges, immunities, and tax and other exemptions. The bill creates an exception from this prohibition for single member limited liability companies (LLCs) that are disregarded as entities separate from their owner.

Reporting. The bill adds the Banking and Environment committees to the legislative committees to which the Green Bank's board must submit its annual activity report, instead of only the Energy and Technology and Commerce committees.

BACKGROUND

Related Bills

sSB 971 (File 559), favorably reported by the Planning and Development Committee, authorizes municipalities to invest their

Climate Change and Coastal Resiliency Reserve Funds in any trust fund administered, held, or invested by the state treasurer.

HB 6497 (File 205), favorably reported by the Environment Committee, also authorizes all municipalities to have a stormwater authority, but limits the available fee exemptions to pervious farm, forest, or open space land.

COMMITTEE ACTION

Environment Committee

Joint Favorable Substitute

Yea	21	Nay	11	(03/29/2021)

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CONNECTICUT GREEN BANK

Memo

To: Connecticut Green Bank Board of Directors[1]

From: Eric Shrago (Managing Director of Operations)

Date: June 18, 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

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[1] It should be noted that an identical memo was distributed to the Budget, Operations, and Compensation Committee on May 6, 2021 and the Audit, Compliance and Governance Committee on June 14, 2021.

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 program[2] 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:

- **<u>Part A</u>**: 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.
- **<u>Part B</u>**: 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.

[2] Section 2206 of the CARES Act.

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 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.

Committee Review

Due to the nature of this policy change, staff presented this to both the Audit, Compliance, & Governance and the Budget, Operations, & Compliance Committees. In this process, some clarifying questions were asked. Staff produced the addendum to this memorandum to address these question and both committees have recommended the proposed change to this policy to the Board of Directors.

Resolution:

WHEREAS, pursuant to Section 5.2.1 of the Connecticut Green Bank (Green Bank) Bylaws, both the Budget, Operations and Compensation Committee and the Audit, Compliance, & Governance Committee are 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 Green Bank Budget, Operations, and Compensation Committee made a recommendation of approval to the Board at its May 12, 2021 meeting to approve the proposed revisions to the Tuition Reimbursement Policy consistent with this memorandum dated June 18, 2021;

WHEREAS, the Green Bank Audit, Compliance and Governance Committee made a recommendation of approval to the Board at its June 14, 2021 meeting to approve the proposed revisions to the Tuition Reimbursement Policy consistent with this memorandum dated June 18, 2021;

NOW, therefore be it:

RESOLVED, that the Board of Directors of the Green Bank approve of the revisions to the Tuition Reimbursement Policy in the Green Bank Employee Handbook consistent with this memorandum dated June 18, 2021.

Second. Discussion. Vote

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CONNECTICUT
GREEN BANK

Memo

To: Connecticut Green Bank Board of Directors

From: Eric Shrago (Managing Director of Operations)

Date: June 8, 2021

Re: Proposed updates to Tuition Reimbursement Policy - Addendum

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After the discussion at the May 12, 2021 meeting of the Audit, Compliance, and Budget Committee, staff summarized the questions posed by the members of the committee. Staff have prepared the following responses to help the committee's discussion at the upcoming meeting:

- **Provide an overview of the current reimbursement policy.**

A Green Bank employee with six months or more of service and a minimum of "meets expectations" on their most recent performance review is eligible for tuition assistance for job-related classwork at accredited institutions of higher education. Full-time employees will be compensated 100% of tuition and fees—up to $400/credit for undergraduate courses and $750/credit for graduate courses, with a maximum of $10,000 assistance per employee per fiscal year. Part-time employees with at least 20 hours per week are eligible for pro-rated assistance based on the amount of hours the employee works.

Written requests for tuition assistance must be approved by the employee's department head and the President. The relevance of the program to the employee's current position and anticipated promotional path are taken into consideration for approval. The employee must maintain a C average for undergraduate courses and a B average for graduate courses as well as an overall rating of "meets expectations" on their annual reviews to maintain eligibility.

- **What are the turnover rates at the Green Bank and the expectations in the job market moving forward?**

FY	**Turnover Rate**
2017	6%
2018	13%[1]
2019	11[2]%
2020	5%
2021	0%
2022	7%
Average	7%

On exit interviews, a cited reason for leaving is employees' desire/need for increased compensation.

[1] FY18 had a high turnover rate due to the sweeps and the ensuing layoffs and spinoff of IPC. The total turnover rate of 28% has been adjusted down to 13% to exclude those who transitioned to IPC

[1] FY18 had a high turnover rate due to the sweeps and the ensuing layoffs and spinoff of IPC. The total turnover rate of 28% has been adjusted down to 13% to exclude those who transitioned to IPC
[2] FY19's turnover rate of 13% was adjusted to 11% to exclude staff that transitioned to IPC.

[2] FY19's turnover rate of 13% was adjusted to 11% to exclude staff that transitioned to IPC.

- **How long it takes us to hire employees?**

This is dependent upon the position. For our more skilled/senior positions, it takes significantly longer. On average, our time from posting a position to making an offer in the past three years is approximately 3 months.

Recently, the Green Bank has faced more challenges in hiring. This spring, we were unable to hire summer interns for our Clean Energy Finance team. In previous years, this has a highly competitive internship with a large number of applicants. This year, the number of applicants was down and those offered a position turned it down in favor of internships that were leading to more lucrative permanent positions in the private sector.

Attracting and retaining talent is very important to the organization and offering support for student loan payments would help us attract and retain those potential employees that are freshly out of graduate school who are being pulled away by the higher pay of the private sector. Importantly, this is a 5-year federal program which provides a longer ramp for retention.

- **What is the historic use of the tuition reimbursement policy?**

Since 2016, we have had 15 members of our staff take advantage of the policy. Staff have pursued MBA's, MPA's, Master of Architecture degrees and Certificates in Leadership and in Clean Energy Finance and Deployment. The continuing education assistance offered to these staff members supported their professional development in subject matter that is consistent with their duties and needs of the organization.

See attached table

- **Can we give staff the choice between a salary increase or the non-taxable tuition reimbursement?**

Per Internal Revenue Code, Employers cannot give employees a choice between taking a salary increase or the non-taxable tuition reimbursement.[3]

- **How do we deal with equity for those individuals that do not qualify for the program?**

The program is open for all staff. Even if an employee does not have eligible education debt, all employees can still take advantage of our education reimbursement policy by pursuing a new educational opportunity.

- **Provide a benchmark with other Quasi-Public, State Agencies and private industry.**

We have inquired what the state and other quasi-public agencies will do. The Department of Administrative Services said this could be reviewed as part of ongoing SEBAC negotiations. Other Quasi's are reviewing this and Connecticut Innovations is presently considering making the same changes to their policy that the Green Bank is proposing. It is important to note that this is a new tax incentive under the CARES Act and there is limited data at this time.

In terms of private sector employers, the National Law Review found few employers providing this as a benefit however they expected this to sharply increase (this was predicted even before the incentive was offered by the CARES Act and the IRS)[4].

The Society for Human Resource Management (the leading advocate for HR best practices) has been a strong proponent of this type of benefit as a way to attract and retain staff[5].

[3] https://www.law.cornell.edu/uscode/text/26/127
[4] https://www.natlawreview.com/article/stimulus-bill-extends-availability-student-l.oan-forgiveness-us
[5] https://www.shrm.org/ResourcesAndTools/hr-topics/benefits/Pages/legislation-extends-student-loan-repayment-benefits-for-5-years.aspx

With unemployment numbers down and the economy heating up, this new incentive offering will help the Green Bank attract and retain top talent that are interested in the clean energy sector but have more lucrative options. State and quasi-government employment is not traditionally the first-place top talent job seekers pursue employment unless there is a compelling story or opportunity. As the first in the nation green bank with a track record of success, we have been able to attract and retain top talent, but this is becoming increasingly difficult as new and more lucrative opportunities are emerging in the clean energy sector.

- **Provide a breakdown of pre- and post- education with employee (e.g., promotion, new responsibilities, etc.)**

ID	Degree	Institution	Completion	Total Tuition reimbursed	Level before Program	Level after
178205	Certificate in Financing and Deployment of Clean Energy	Yale University	2019	$ 9,500.00	Sr. Associate	Promoted 2 years later to manager when moved to a new role
135026	Leadership Certificate	Five Frogs	2018	$ 1,500.00	Associate Manager	Employee left the organization to IPC in 2018 as a result of sweeps
044886	Master of Science in Sustainable Design	University of Florida	2018	$ 16,750.00	Sr. Associate	Promoted to Manager 18 months later
499241	Certificate in Financing and Deployment of Clean Energy	Yale University	2022	$ 9,500.00	Associate Manager	Not Applicable
164709	Leadership Certificate	Five Frogs	2018	$ 1,500.00	Administrator	Promoted to Sr. Administrator that year
164709	Certificate in Financing and Deployment of Clean Energy	Yale University	2020	$ 9,500.00	Sr. Administrator	
155042	Master of Business Administration	University of New Haven	2019	$ 33,250.00	Associate Manager	Promoted to Manager during program, but lost her to Eversource
115913	Certificate in Financing and Deployment of Clean Energy	Yale University	2019	$ 9,500.00	Associate Manager	Promoted to Manager 12 months after completion
200000	Certificate in Financing and Deployment of Clean Energy	Yale University	2022	$ 9,500.00	Sr. Manager	Not Applicable
971677	Certificate in Financing and Deployment of Clean Energy	Yale University	2020	$ 9,500.00	Associate Director	Associate Director
971677	Leadership Certificate	Five Frogs	2019	$ 1,500.00	Sr. Manager	Promoted to Associate Director during program
152319	Master of Public Administration	Sacred Heart University	2017	$ 19,000.00	Associate Manager	Promoted to Manager at completion of program, but employee left the organization to IPC in 201
168589	Certificate in Financing and Deployment of Clean Energy	Yale University	2020	$ 9,500.00	Associate Manager	Transitioned to a more senior role for which she was uniquely qualified due to this education
168589	Leadership Certificate	Five Frogs	2019	$ 1,500.00	Associate Manager	Associate Manager
199888	Leadership Certificate	Five Frogs	2021	$ 1,500.00	Sr. Manager	Promoted to Associate Director during program
199387	Certificate in Financing and Deployment of Clean Energy	Yale University	2022	$ 9,500.00	Associate (Durational)	Not Applicable
126067	Master of Business Administration	University of Massachusetts	2019	$ 29,250.00	Associate Manager	Promoted to Sr. Manager within 18 months of completing the program
098454	Master of Business Administration	University of Connecticut	2018	$ 31,250.00	Sr. Associate	Promoted to Manager as a result of completion of MBA

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CONNECTICUT
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Memo

To: Connecticut Green Bank Board of Directors

From: Bryan Garcia (President and CEO), Jane Murphy (Executive Vice President of Finance and Administration), and Eric Shrago (Managing Director of Operations)

Date: June 18, 2021

Re: Proposed FY2022 Targets and Budget

After a challenging year, the world is reopening and a new normal is setting in. From the expansion of the Green Bank's mission to include environmental infrastructure,[1] and passage of energy storage legislation,[2] which may enable the Green Bank to co-administer an incentive program,[3] to continued uptake of our Marketplace Assistance Program for the PPA and C-PACE programs, along with the passage of behind the meter incentives for affordable housing that will advance our efforts to reduce energy burden on vulnerable communities,[4] we are looking at many exciting developments that this upcoming fiscal year brings us.

After careful consideration, stakeholder engagement, and reflection staff have constructed the below targets and supporting budget for the upcoming fiscal year.

I. Targets

The Green Bank has proposed the following targets for each sector's programs for the upcoming fiscal year, including number of projects, total capital investment, total renewable energy deployment, and annual greenhouse gas emissions avoided resulting from clean energy deployment and carbon offsets (e.g., EV recharging stations) – see Tables 1 through 3:

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[1] Passage of HB 6441 "An Act Concerning Climate Change Adaptation" during the 2021 legislative session of the Connecticut General Assembly

[2] Passage of SB 952 "An Act Concerning Energy Storage" during the 2021 legislative session of the Connecticut General Assembly

[3] Docket No. 17-12-03RE03

[4] Passage of SB 356 "An Act Establishing an Energy Efficiency Retrofit Grant Program for Affordable Housing" during the 2021 legislative session of the Connecticut General Assembly

Figure 1. Financing Program Targets for FY22

Segment	Product	Targets			
		Number of Projects	Total Capital Deployed	Capacity Installed	Estimated Total annual Emissions (tons)
Financing Programs	CPACE	44	$23,260,000	6.5	11,493
	PPA	42	$25,557,000	13.4	23,053
	SBEA	818	$14,470,000	0.0	0
	Multi-Family Pre-Dev	0	$0	0.0	0
	Multi-Family Term	4	$650,000	0.2	282
	Multi-Family Health and Safety Total	2	$600,000	0.0	0
	Transportation	0	0	0	16,500
	Strategic Investments	0	$0	0.0	0
	Financing Programs Total	902	61,992,000	19	50,127

Figure 2. Incentive Program Targets for FY22

Segment	Program	Targets			
		Number of Projects	Total Capital Deployed	Capacity Installed	Estimated Total annual Emissions (tons)
Incentive Programs	Residential Solar	471	$13,680,000	4.0	7,049
	Battery Storage	362	11,750,000	5	0
	Smart-E	800	$11,200,000	0.8	15,168
	Low Income Loans/Leases (PosiGen)	96	$2,478,528	0.66	1,154
	Incentive Programs Total	1,633	$36,630,000	9.8	22,217

Figure 3. Financing and Incentive Program Targets for FY22[5]

Segment	Business Segment	Targets			
		Number of Projects	Total Capital Deployed	Capacity Installed	Estimated Total annual Emissions (tons)
CGB	Financing Programs Total	902	$61,992,000	19.1	50,127
	Incentive Programs Total	1,633	$36,630,000	9.8	22,217
	Green Bank Total	2,530	$98,622,000	28.9	72,344

II. Proposed Green Bank FY 2022 Operating and Program Budget

Enclosed is the proposed Green Bank's FY 2022 budget for review and discussion at the June 25th meeting. The significant differences year-on-year we wish to highlight are as follows:

Revenues:

Overall, revenues are forecast to increase by $3,934,837 to $50,854,249. This estimate includes public revenues (utility customer assessments and RGGI auction proceeds) and earned revenues (interest income, REC sales, grants, and closing fees). The public

[5] Note – until a Comprehensive Plan is developed by staff and reviewed and approved for "environmental infrastructure," there are no targets for Environmental Infrastructure Programs for FY22.

revenues are $30,549,240, or 60% of total revenues – while the earned revenues are $20,305,009, or 40% of total revenues ($11,412,399 or 56% for the Incentive Programs and $8,892,610 or 44% for the Financing Programs). Due to the pursuit of sustainability, there is increased interest income from our growing balance sheet, this is the highest percentage of earned revenue to public revenue in our existence.

The changes year-on-year in the various revenue streams are below:

- **Utility Customer Assessments** – this is public revenues that comes from the 1 mil that ratepayers pay into the Connecticut Clean Energy Fund. The YOY decrease of 1% is due to the current economic conditions and the forecast continuation through next fiscal year. These funds decrease every year due to decreased demand of electricity as more clean energy is deployed in the state.
- **RGGI Auction Proceeds** – this is public revenue that the Green Bank receives 23% of the proceeds from the Regional Green House Gas Initiative Auctions for tradeable discharge permits each quarter. We are forecasting a 43% increase in this income next fiscal year due to increased demand for these permits that leads to higher clearing prices and a greater quantity of permits.
- **Interest Income** – this is earned revenue that comes from the repayment to the Green Bank from borrowers for our projects such as CPACE, project finance loans, etc. The overall increase compared to last year's budget is driven by our repurchase of loans from Clean Fund and the Groton Fuel Cell refinancing. This is partially offset by the termination of the loan facility with Green Works Lending and an over estimation in the interest income associated with BEA for FY21's budget.
- **REC Sales** – this is earned revenue that the Green Bank produces approximately 40,000 Renewable Energy Certificates from pre-SHREC and yet to be tranched RSIP projects annually and is subject to the market price for the certificates. Staff actively follow the REC markets and enter into contracts to sell these RECs in order to optimize the income from them. Present market price has been increasing and the Green Bank has locked in buyers for these RECs at a weighted average of $19.14. This is a 32% increase YOY compared to the average price for FY21 of $14.50.
- **REC Sales (SHREC)** – this is earned revenue through the SHRECs (i.e., Solar Home Renewable Energy Certificates) owned by the Green Bank and designed to recoup the cost of the RSIP incentive and the administration and financing costs of the RSIP program. The Green Bank sets the price for these with the utilities who have agreed to purchase them under our Master Purchase Agreement. We have a YOY increase in SHREC income due to new systems coming online in the past fiscal year.

Expenses

Projected operating expenses for FY2022 are forecast at $24,176,809 – or $10,241,564 for personnel (i.e., 67% Financing Programs, 31% Incentive Programs, and 2% Environmental Infrastructure Programs) and $13,935,245 for non-personnel (i.e., 47% Financing Programs, 52% Incentive Programs, and 1% Environmental Infrastructure Programs) related operating expenses. The noteworthy year on year budget differences are:

- **Compensation and Benefits** – - increase of $1,054,571 representative of 3 new positions (2 one-year durational positions to support the RSIP closeout and 1 senior position to lead the Environmental Infrastructure Programs)

- **Program Administration** – is due to increase by $1,784,470. The driver of this increase is the need to replace 3G wireless meters to ensure SHREC revenue for the RSIP. This is cost recoverable.

- **Marketing** – the increase by $340,684 in marketing expenses is the need for a new website and marketing assets. There are forecast startup costs for battery storage. Additionally, we are looking to expand the outreach we have traditionally done as an organization by centralizing the contractor outreach function and through engaging building owners.

- **Research and Development** – will increase slightly by $14,000 as we need to support the planning of the expanded mission.

- **Grants and Incentives** – are projected to be $16,877,690; while non-operating expenses (e.g., interest expense, provision for loan losses) are projected to be $ 5,286,275.

Investments
This budget includes $31,821,200 in projected investments that deliver $13,483,374 in interest (i.e., $10,271,139 on present value basis) or a weighted average return of 4.51% over 9 years.

Sustainability
The increased revenues of this budget and the forecast expenses and investments are in line with our Sustainability Plan, as highlighted in the accompanying memorandum and are facilitating the bank in its mission.

Resolution:

WHEREAS, Connecticut Green Bank (Green Bank) staff have reviewed with the Budget, Operations, & Compensation (BOC) Committee the Fiscal Year 2020 Targets and Budget; and

WHEREAS, the Budget, Operations, and Compensation Committee discussed staff entering into new or extending existing professional services agreements (PSAs) with the following, contingent upon a competitive bid process having occurred in the last three years (except Sustainable Connecticut, Sustainable Environmental Associates, and Inclusive Prosperity Capital):

I. Adnet Technologies, LLC
II. AlsoEnergy LLC
III. Alter Domus (formerly Cortland)
IV. Clean Power Research, LLC
V. CliftonLarsonAllen
VI. CSW, LLC.
VII. C-TEC Solar, LLC

VIII. DNV GL USA Inc. (includes what was formerly ERS)
IX. Environmental Control, Inc., d.b.a ENCON
X. Guidehouse (aka Navigant)
XI. Inclusive Prosperity Capital
XII. Stark Raving LLC (d/b/a Stark / Raving Branding + Digital Marketing)
XIII. Strategic Environmental Associates
XIV. Sustainable CT

For fiscal year 2022 with the amounts of each PSA not to exceed the applicable approved budget line item

NOW, therefore be it:

RESOLVED, that Green Bank Board of Directors hereby approves: (1) the FY 2022 Targets and Budget, and (2) the PSAs with the 14 strategic partners listed above; and.

RESOLVED, the Green Bank Board of Directors authorizes and empowers the proper Green Bank officers to do all other acts and execute and deliver all other documents and instruments as they shall deem necessary and desirable to execute extensions and/or modifications to the agreements with Inclusive Prosperity Capital.

Connecticut Green Bank
FY 2022 Operating and Program Budget - DRAFT
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Presented to the Board of Directors on June 25, 2021

Presented to BOC Committee on May 12, June 9 and June 16, 2021

Connecticut Green Bank
FY 2022 Operations and Program Budget - DRAFT
Statement of Revenues and Expenses - Financing Programs vs. Incentive Programs vs. Environmental Infrastructure Programs

	Total CT Green Bank			Financing Programs			Incentive Programs			Environmental Infrastructure		
	FY22	FY21	YOY	FY22	FY21	YOY	FY22	FY21	YOY	FY22	FY21	YOY
	Budget	Budget	Variance	Budget	Budget	Variance	Budget	Budget	Variance	Budget	Budget	Variance
Revenue												
Operating Income	43,797,389	41,452,356	2,345,032	32,457,990	31,690,474	767,516	11,339,399	9,761,882	1,577,516	0	0	0
Interest Income	6,211,341	5,738,133	473,209	6,138,341	5,667,632	470,709	73,000	70,500	2,500	0	0	0
Interest Income, Capitalized	340,984	228,115	112,869	340,984	228,115	112,869	0	0	0	0	0	0
Other Income	504,535	442,091	62,443	504,535	442,092	62,443	0	0	0	0	0	0
Total Revenue	**$ 50,854,249**	**$ 47,860,695**	**2,993,553**	**$ 39,441,850**	**$ 38,028,313**	**1,413,537**	**$ 11,412,399**	**$ 9,832,382**	**1,580,016**	**$ 0**	**$ 0**	**0**
Operating Expenses												
Compensation and Benefits												
Employee Compensation	5,478,983	5,000,218	478,765	3,671,877	3,516,430	155,447	1,694,657	1,483,788	210,869	112,448	0	112,448
Employee Benefits	4,762,581	4,186,775	575,806	3,207,147	2,948,760	258,387	1,456,481	1,238,016	218,465	98,955	0	98,955
Total Compensation and Benefits	10,241,564	9,186,993	1,054,571	6,879,024	6,465,190	413,834	3,151,138	2,721,804	429,334	211,403	0	211,403
Program Development & Administration	5,243,985	3,459,515	1,784,470	852,985	923,090	(70,105)	4,391,000	2,536,424	1,854,575	0	0	0
Program Administration-IPC Fee	1,366,219	1,366,219	0	1,122,835	1,095,382	27,452	243,384	270,837	(27,452)	0	0	0
Marketing Expense	1,658,725	1,318,042	340,684	1,307,609	973,696	333,914	351,116	344,346	6,770	0	0	0
E M & V	638,000	675,000	(37,000)	185,000	225,000	(40,000)	453,000	450,000	3,000	0	0	0
Research and Development	85,000	71,000	14,000	35,000	71,000	(36,000)	0	0	0	50,000	0	50,000
Consulting and Professional Fees	2,494,750	2,672,770	(178,020)	1,194,750	1,001,350	193,400	1,300,000	1,671,420	(371,420)	0	0	0
Rent and Location Related Expenses	1,068,094	1,046,118	21,975	715,815	884,262	(168,448)	330,362	161,856	168,506	21,917	0	21,917
Office, Computer & Other Expenses	1,380,472	1,226,607	153,866	1,148,334	930,384	217,951	219,872	296,222	(76,350)	12,265	0	12,265
Total Operating Expenses	**24,176,809**	**21,022,264**	**3,154,546**	**13,441,352**	**12,569,354**	**871,998**	**10,439,872**	**8,452,909**	**1,986,963**	**295,585**	**0**	**295,585**
Program Incentives and Grants												
Financial Incentives-CGB Grants	40,000	100,000	(60,000)	40,000	100,000	(60,000)	0	0	0	0	0	0
Program Expenditures-Federal Grants	125,000	30,000	95,000	125,000	30,000	95,000	0	0	0	0	0	0
EPBB/PBI/HOPBI Incentives	16,712,690	16,716,539	(3,849)	0	0	0	16,712,690	16,716,539	(3,849)	0	0	0
Total Program Incentives and Grants	**$ 16,877,690**	**$ 16,846,539**	**31,151**	**$ 165,000**	**$ 130,000**	**35,000**	**$ 16,712,690**	**$ 16,716,539**	**(3,849)**	**$ 0**	**$ 0**	**0**
Operating Income/(Loss)	**$ 9,799,749**	**$ 9,991,893**	**(192,143)**	**$ 25,835,498**	**$ 25,328,958**	**506,539**	**$ (15,740,163)**	**$ (15,337,066)**	**(403,097)**	**$ (295,585)**	**$ 0**	**(295,585)**
Non-Operating Expenses												
Interest Expense	2,708,079	2,825,917	(117,838)	186,205	310,803	(124,598)	2,521,873	2,515,114	6,759	0	0	0
Provision for Loan Loss	1,728,196	2,478,750	(750,554)	1,728,196	2,478,750	(750,554)	0	0	0	0	0	0
Interest Rate Buydowns-ARRA	850,000	1,592,491	(742,491)	0	0	0	850,000	1,592,491	(742,490)	0	0	0
Total Non-Operating Expenses	**$ 5,286,275**	**$ 6,897,158**	**(1,610,883)**	**$ 1,914,401**	**$ 2,789,553**	**(875,152)**	**$ 3,371,873**	**$ 4,107,605**	**(735,731)**	**$ 0**	**$ 0**	**0**
Net Revenues Over (Under) Expenses	**$ 4,513,475**	**$ 3,094,735**	**1,418,740**	**$ 23,921,096**	**$ 22,539,405**	**1,381,691**	**$ (19,112,036)**	**$ (19,444,670)**	**332,634**	**$ (295,585)**	**$ 0**	**(295,585)**

Connecticut Green Bank
FY 2022 Operating and Program Budget - DRAFT
Revenue Detail

	FY22 Budget	FY21 Budget	$ Increase / (Decrease)	FY21 YTD As of 6/9/21
Revenues				
Utility customer assessments [(2)]	$ 24,449,800	$ 24,772,400	$ (322,600)	$ 25,016,830
RGGI auction proceeds - renewables [(3)]	6,099,440	4,280,200	1,819,240	6,452,887
Total Public Revenue:	$ 30,549,240	$ 29,052,600	$ 1,496,640	$ 31,469,718
Interest Income - Cash Intercompany	69,475	66,137	3,338	56,455
Interest Income - Cash deposits	86,200	99,000	(12,800)	16,811
Interest Income - Delinquent CPACE payments	-	-	-	30,775
Interest Income - Capitalized construction interest	340,984	228,115	112,869	320,587
Interest Income - CPACE Warehouse, benefit assessments	2,751,462	2,353,783	397,679	1,814,299
Interest Income - Loan portfolio, other programs	3,176,734	3,203,413	(26,679)	3,284,821
Interest Income - CPACE Selldown Bonds	54,471	170,666	(116,195)	(6,677)
Interest Income - Solar lease I promissory notes, net	73,000	60,000	13,000	78,180
CPACE closing fees	123,000	144,000	(21,000)	73,080
Grant income (federal programs)	40,000	30,000	10,000	13,288
REC sales [(2)]	755,750	579,250	176,500	992,424
REC sales to utilities under SHREC program [(3)]	11,339,399	9,579,357	1,760,042	9,560,919
PPA Income	640,000	626,000	14,000	504,733
LREC/ZREC Income	350,000	285,000	65,000	365,680
Other income - Programs	81,000	78,000	3,000	70,025
Other income - General [(1)]	423,535	364,092	59,443	528,130
Total Earned Revenue:	$ 20,305,009	$ 17,866,811	$ 2,438,197	$ 17,703,530
Total Sources of Revenue:	$ 50,854,249	$ 46,919,411	$ 3,934,837	$ 49,173,247

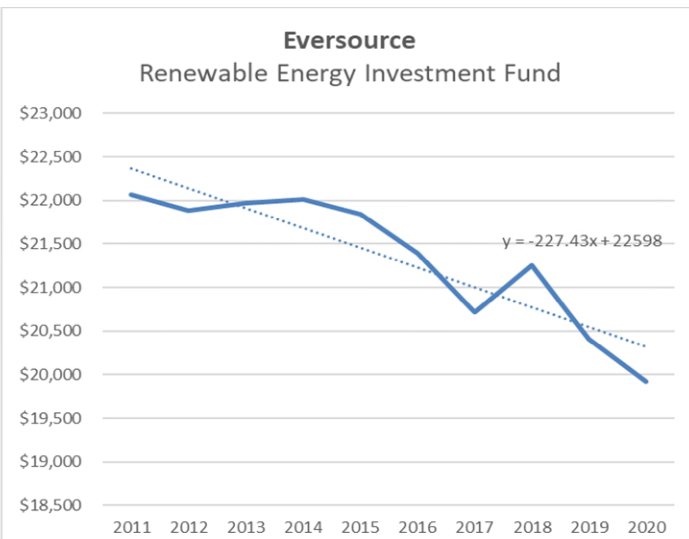
[(1)] Of the $423,535 in Other Income - General, $100,000 is from Forward Capacity Markets and $225,535 is from EV Carbon Offsets.

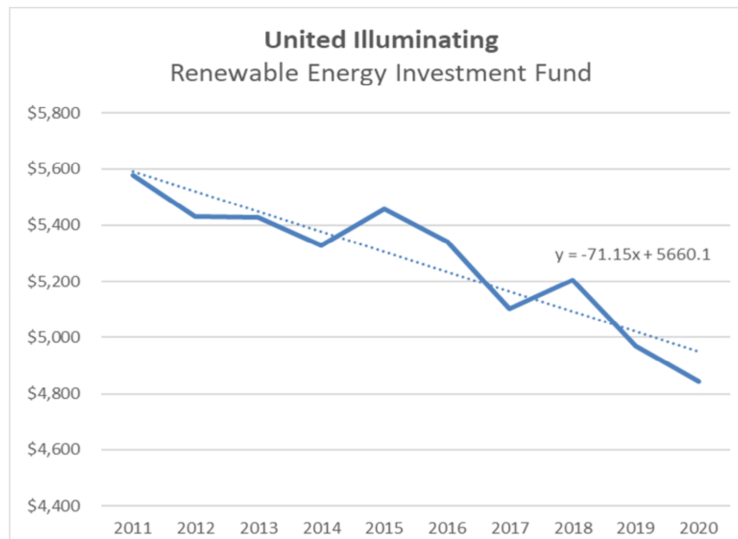
[(2)] Utility assessments and REC sales are full year estimates.

[(3)] RGGI auction proceeds and REC sales under SHREC program are full year actuals.

Connecticut Green Bank
FY 2022 General Operations Budget - DRAFT
Utility Customer Assessment Projections

	FY22 Budget	FY21 Budget	FY21 Projected [1]	YOY Budget Incr / (Decr)	FY22 Budget vs. FY21 Projected	FY21 Budget vs. FY21 Projected
July	$ 2,382,400	$ 2,338,800	$ 2,508,905	$ 43,600	$ (126,505)	$ 170,105
August	2,495,400	2,519,300	2,599,879	(23,900)	(104,479)	80,579
September	2,183,300	2,195,800	2,244,473	(12,500)	(61,173)	48,673
October	1,830,300	1,803,000	1,837,227	27,300	(6,927)	34,227
November	1,795,700	1,818,600	1,793,434	(22,900)	2,266	(25,166)
December	2,069,200	2,128,800	2,086,893	(59,600)	(17,693)	(41,907)
January	2,237,900	2,266,600	2,256,480	(28,700)	(18,580)	(10,120)
February	2,110,000	2,099,500	2,160,338	10,500	(50,338)	60,838
March	1,973,700	1,910,200	2,087,855	63,500	(114,155)	177,655
April	1,840,200	1,953,400	1,889,867	(113,200)	(49,667)	(63,533)
May	1,691,400	1,763,200	1,675,040	(71,800)	16,360	(88,160)
June	1,840,300	1,975,200	1,876,440	(134,900)	(36,140)	(98,760)
Total assessments:	$ 24,449,800	$ 24,772,400	$ 25,016,830	$ (322,600)	$ (567,030)	$ 244,430
				(1.3%)	(2.3%)	1.0%

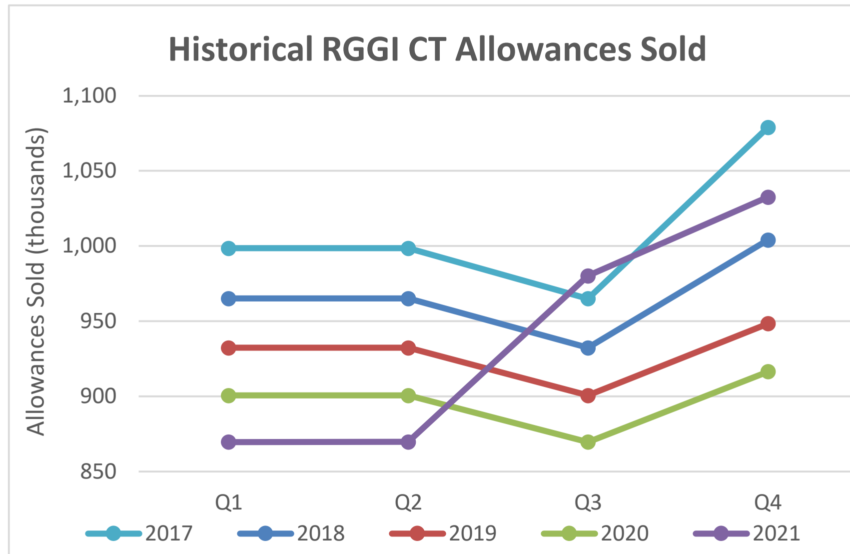




[1] Actual data through April 2021 and estimated data beyond.

Connecticut Green Bank
FY 2022 General Operations Budget - DRAFT
RGGI Auction Receipts

	FY22 Action #	Price	Allowances	FY22 Budget	FY21 Budget	FY21 Actual	YOY Budget Incr / (Decr)	FY21 Budget vs. Projected
September Auction	53	$ 7.49	840,120	$ 1,447,275	$ 1,098,600	$ 1,364,194	$ 348,675	$ 265,594
December Auction	54	$ 7.38	840,121	$ 1,426,021	1,082,600	1,482,213	343,421	399,613
March Auction	55	$ 7.27	946,960	$ 1,583,412	1,029,900	1,713,547	553,512	683,647
June Auction	56	$ 7.16	997,530	$ 1,642,732	1,069,100	1,892,932	573,632	823,832
		Total auction receipts:		$ 6,099,440	$ 4,280,200	$ 6,452,886	$ 1,819,240	$ 2,172,686



Connecticut Green Bank
FY 2022 RSIP Budget - DRAFT
REC Revenue

Tranche	Description	FY22 Budget - DRAFT Fiscal Q1 2022	Fiscal Q2 2022	Fiscal Q3 2022	Fiscal Q4 2022	Total Fiscal 2022	Total Fiscal 2021 Budget	YOY Budget Incr / (Decr)	FY21 Actual	FY21 Budget vs. Actual
	Generation Month	**Calendar Q1 2021**	**Calendar Q2 2021**	**Calendar Q3 2021**	**Calendar Q4 2021**	**Total Calendar Year 2021**	**Total Calendar Year 2020**	**YOY Budget Incr / (Decr)**	**Total Calendar Year 2020**	**Calendar 2020 Budget vs. Actual**
SHREC T1	P90 Generation (mWh)	8,762	15,139	14,623	6,659	45,183	45,136	47	44,745	(391)
SHREC T1	Revenue @ $50 / mWh	$ 438,099	$ 756,953	$ 731,171	$ 332,946	$ 2,259,169	$ 2,256,795	$ 2,374	$ 2,237,250	$ (19,545)
SHREC T2	P90 Generation (mWh)	11,284	19,209	18,584	8,588	57,665	56,729	935	56,893	164
SHREC T2	Revenue @ $49 / mWh	$ 552,919	$ 941,244	$ 910,615	$ 420,791	$ 2,825,569	$ 2,779,745	$ 45,824	$ 2,787,757	$ 8,012
SHREC T3	P90 Generation (mWh)	6,938	12,170	11,775	5,253	36,136	37,882	(1,746)	38,811	929
SHREC T3	Revenue @ $48 / mWh	$ 333,024	$ 584,160	$ 565,200	$ 252,144	$ 1,734,528	$ 1,818,339	$ (83,811)	$ 1,862,928	$ 44,589
SHREC T4	P90 Generation (mWh)	10,724	18,996	18,345	8,140	56,205	57,968	(1,763)	56,872	(1,096)
SHREC T4	Revenue @ $47 / mWh	$ 504,028	$ 892,812	$ 862,215	$ 382,580	$ 2,641,635	$ 2,724,478	$ (82,843)	$ 2,672,984	$ (51,494)
SHREC T5	P90 Generation (mWh)	10,587	18,193	17,212	7,679	53,671	-	53,671	-	-
SHREC T5	Revenue @ $35 / mWh	$ 370,531	$ 636,770	$ 602,425	$ 268,772	$ 1,878,497	$ -	$ 1,878,497	$ -	$ -
	Total SHREC Revenue	$ 2,198,601	$ 3,811,938	$ 3,671,626	$ 1,657,233	$ 11,339,399	$ 9,579,357	$ 1,760,042	$ 9,560,919	$ (18,438)
	Generation Month	**Calendar Q1 2021**	**Calendar Q2 2021**	**Calendar Q3 2021**	**Calendar Q4 2021**	**Total Calendar Year 2021**	**Total Calendar Year 2020**	**YOY Budget Incr / (Decr)**	**Total Calendar Year 2020**	**Calendar 2020 Budget vs. Actual**
Non-SHREC	Actual Generation (mWh)	-	-	-	40,000	40,000	41,000	(1,000)	51,945	10,945
Non-SHREC	Revenue @ $19.14375* / mWh	$ -	$ -	$ -	$ 765,750	$ 765,750	$ 589,500	$ 176,250	$ 1,005,410	$ 415,910
	Commission Expense	-	-	-	(10,000)	(10,000)	(10,250)	250	(12,986)	(2,736)
	Total Non-SHREC Revenue	$ -	$ -	$ -	$ 755,750	$ 755,750	$ 579,250	$ 176,500	$ 992,424	$ 413,174
	Total REC Revenue	$ 2,198,601	$ 3,811,938	$ 3,671,626	$ 2,412,983	$ 12,095,149	$ 10,158,607	$ 1,936,542	$ 10,553,343	$ 394,736

Notes:

*The Green Bank manages its price risk by selling its Non-SHREC RECs in advance to buyers. To date we have sold 31,500 @ $19.25/REC and 8,500 @ $18.75/REC for a weighted average price of $19.14375.

Connecticut Green Bank
FY 2022 Operations and Program Budget - DRAFT
Staffing Plan

			Staffing Budget Hours			Staffing Budget FTEs			Staffing Budget $s		
Position / Department	**Durational Ending**	**Name**	**FY22**	**FY21**	**YOY Variance**	**FY22**	**FY21**	**YOY Variance**	**FY22**	**FY21**	**YOY Variance**
Employees Employed Year Over Year											
Associate, Incentive Programs (Durational)	FY22	Attruia, Stephanie	2,080	2,080		1.00	1.00				
Senior Manager, Community Partnerships		Basham, Emily	2,080	2,080		1.00	1.00				
Controller		Cartelli, Shawne	2,080	2,080		1.00	1.00				
Senior Manager, Resource Management & Impact		Charpentier, Lucy	2,080	2,080		1.00	1.00				
Senior Manager, Incentive Programs		Colonis, William	2,080	2,080		1.00	1.00				
Senior Associate, Incentive Programs (Durational)	FY22	DeMaio, Alicia	2,080	2,080		1.00	1.00				
Senior Loan Administrator		Duncan, Catherine	2,080	2,080		1.00	1.00				
Vice President, Financing Programs		Dykes, Mackey	2,080	2,080		1.00	1.00				
VP, General Counsel & Chief Legal Officer		Farnen, Brian	2,080	2,080		1.00	1.00				
President & Chief Executive Officer		Garcia, Bryan	2,080	2,080		1.00	1.00				
EVP and Chief Investment Officer		Hunter, Bert	2,080	2,080		1.00	1.00				
Marketing Manager		Janecko, Andrea	2,080	2,080		1.00	1.00				
Office Manager		Johnson, Barbara	2,080	2,080		1.00	1.00				
Associate, Asset Management and Compliance		Johnson, Karl	2,080	2,080		1.00	1.00				
Senior Manager, Financing Programs & Sr. Counsel		Kovtunenko, Alex	2,080	2,080		1.00	1.00				
Manager, Incentive Programs		Kranich, Ed	2,080	2,080		1.00	1.00				
Senior Manager, Financing Programs		Lembo-Buzzelli, Alysse	2,080	2,080		1.00	1.00				
Associate, Incentive Programs		Lewis, Lynne	2,080	2,080		1.00	1.00				
Legislative Liaison and Associate Director		Macunas, Matt	2,080	2,080		1.00	1.00				
Senior Associate, Incentive Programs (Durational)	FY23	McCarthy, Neil	2,080	2,080		1.00	1.00				
Senior Manager, Clean Energy Finance		Miller, Desiree	2,080	2,080		1.00	1.00				
EVP, Finance and Administration		Murphy, Jane	2,080	2,080		1.00	1.00				
Associate, Incentive Programs (Durational)	FY22	Saavedra, Emma	2,080	2,080		1.00	1.00				
Executive Assistant		Samuels, Cheryl	2,080	2,080		1.00	1.00				
Senior Manager, Marketing and Outreach		Schmitt, Robert	2,080	2,080		1.00	1.00				
Staff Accountant		Schneider, Ariel	2,080	2,080		1.00	1.00				
Managing Director, Operations		Shrago, Eric	2,080	2,080		1.00	1.00				
Senior Accountant		Soares, Natalia	2,080	2,080		1.00	1.00				
Manager, Clean Energy Finance		Stewart, Fiona	2,080	2,080		1.00	1.00				
Associate Director, Marketing & Strategic Communications		Sturk, Rudy	2,080	2,080		1.00	1.00				
Accounting Specialist		Turker, Irene	2,080	2,080		1.00	1.00				
Associate, Incentive Programs		Vigil, Marycruz	2,080	2,080		1.00	1.00				
Associate Director, Special Projects		Waters, Barbara	2,080	2,080		1.00	1.00				
Director, Clean Energy Finance		Yu, Mike	2,080	2,080		1.00	1.00				
		Subtotal	70,720	70,720	-	34.00	34.00	-	$ 3,755,313	$ 3,520,033	$ 235,280
Employees Hired for Open Positions											
Associate Manager, Clean Energy Finance		Beech, David	2,080	2,080		1.00	1.00				
Director, Incentive Programs		Carrillo, Sergio	2,080	2,080		1.00	1.00				
Senior Manager, Financing Programs		Ludwig, Peter	2,080	2,080		1.00	1.00				
Senior Manager, Asset Creation & Oversight		Pyne, Sara	2,080	2,080		1.00	1.00				
Associate Director, Finance and Administration		Smith, Dan	2,080	1,040		1.00	0.50				
Senior Assistant, Financing Programs		Tsitso, Christina	2,080	2,080		1.00	1.00				
		Subtotal	12,480	11,440	1,040	6.00	5.50	0.50	$ 652,080	$ 570,486	$ 81,594

Connecticut Green Bank
FY 2022 Operations and Program Budget - DRAFT
Staffing Plan

Position / Department	Durational Ending	Name	Staffing Budget Hours FY22	Staffing Budget Hours FY21	Staffing Budget Hours YOY Variance	Staffing Budget FTEs FY22	Staffing Budget FTEs FY21	Staffing Budget FTEs YOY Variance	Staffing Budget $s FY22	Staffing Budget $s FY21	Staffing Budget $s YOY Variance
Open Positions - Vacancies											
Open - Durational - RSIP 1	FY22		2,080	-		1.00	-				
Open - Durational - RSIP 2	FY22		2,080	-		1.00	-				
(1) Open - Operations Assistant			2,080	2,080		1.00	1.00				
		Subtotal	6,240	2,080	4,160	3.00	1.00	2.00	$ 232,428	$ 174,688	$ 57,740
Open Positions - Departing Employees											
Senior Contracts Administrator		French, Loyola	1,200	2,080		0.58	1.00				
(2) Open - Contracts Administrator			1,440	-		0.69	-				
Senior Manager, Financing Programs		Zuba, Nicholas	720	2,080		0.35	1.00				
(3) Open - Financing Programs			1,600	-		0.77	-				
(4) Associate Director, Clean Energy Finance		Della Pesca, Rosalind	640	2,080		0.31	1.00				
(5) Senior Policy Advisor to the President		Price, Selya	-	2,080		-	1.00				
		Subtotal	5,600	8,320	(2,720)	2.69	4.00	(1.31)	$ 292,532	$ 458,078	$ (165,546)
Open Positions - Contingent (Battery Storage/Environmental Infrastructure)											
(6) New FY21 - Associate Director of Incentive Programs			2,080	1,040		1.00	0.50				
(6) New FY21 - Manager of Incentive Programs			2,080	1,040		1.00	0.50				
(6) New FY21 - Associate, Incentive Programs			1,440	1,040		0.69	0.50				
(7) New FY22 - Environmental Infrastructure			1,440	-		0.69	-				
		Subtotal	7,040	3,120	3,920	3.38	1.50	1.88	$ 391,485	$ 125,777	$ 265,708
		Total Employees	102,080	95,680	6,400	49.08	46.00	3.08	$ 5,323,837	$ 4,849,062	$ 474,775
Interns											
Intern - Finance 1			480	480		0.23	0.23				
Intern - CI&I 1			480	480		0.23	0.23				
Intern - RSIP 1			1,040	480		0.50	0.23				
Intern - RSIP 2			1,040	480		0.50	0.23				
Intern - RSIP 3			-	480		-	0.23				
Intern - Legal 1			480	480		0.23	0.23				
		Total Interns	3,520	2,880	640	1.69	1.38	0.31	$ 73,333	$ 60,000	$ 13,333
		Total Employees and Interns	105,600	98,560	7,040	50.77	47.38	3.38			

Compensation Dollars	FY22	FY21	YOY Variance
Employees	$ 5,132,033	$ 4,712,391	$ 419,642
Merit Pool - 4.0%	191,804	136,671	55,133
Promotion Pool - 1.5%	81,812	71,157	10,655
Intern Pool	73,333	60,000	13,333
Subtotal Compensation Employees and Interns:	5,478,983	4,980,219	498,763
Temporary Employees	-	20,000	(20,000)
Total Compensation Employees, Interns and Temps:	$ 5,478,983	$ 5,000,219	$ 478,763

(1) Position vacant due to departure of Craig Connolly in FY20. Repurposed position to support Managing Director of Operations for additional responsibilities.
(2) Position vacant due to departure of Loyola French in FY22.
(3) Position vacant due to departure of Nicholas Zuba in FY22.
(4) Position vacant due to departure of Rosalind Della Pesca in FY22.
(5) Position vacant due to departure of Selya Price in FY22.
(6) SB 952 passed in 2021 legislative session. Subject to PURA decision in Docket 17-12-03RE03, personnel and operating expenses are subject to change.
(7) HB 6441 passed in 2021 legislative session.

Connecticut Green Bank
FY 2022 Program Budget - DRAFT
Program Loans

Program Type - CGB portfolio loan (Asset) advances

Dept	Prg Code	Prg Name	Description		Interest Rate	Term in Years	FY22 Budget Q1	Q2	Q3	Q4	Total	FY21 Budget
Multi	52250	Multifamily Pgms	C4C Lime facility draws		4.0%	15	$ -	$ -	$ 100,000	$ 100,000	$ 200,000	$ 500,000
					Total MultiFamily Program Loans:		***$ -***	***$ -***	***$ 100,000***	***$ 100,000***	***$ 200,000***	***$ 500,000***
CI&I	51800	CPACE	CGB Portfolio	Current/Future Pipeline	5.60%	17.5	$ 1,250,000	$ 1,250,000	$ 1,250,000	$ 1,250,000	$ 5,000,000	$ 5,000,000
CI&I	51800	CPACE	3rd party lending RFP	Greenworks Lending	5.25%	5	-	-	-	-	-	3,000,000
CI&I	52307	Solar PPA Development	PPA State		3.0%	20	2,250,000	2,250,000	2,250,000	2,250,000	9,000,000	10,000,000
CI&I	52307	Solar PPA Development	PPA Municipality		3.75%	20	-	782,400	782,400	782,400	2,347,200	-
CI&I	51810	New Product Dev.	PPA Developers		4.50%	20	314,250	314,250	314,250	314,250	1,257,000	-
CI&I	51810	New Product Dev.	PPA Debt to 3rd parties		4.50%	15	1,025,000	1,025,000	1,025,000	1,025,000	4,100,000	2,500,000
CI&I	53002	SBEA/BEA	Regular Loan Purchases		3.50%	4	361,750	361,750	361,750	361,750	1,447,000	2,044,000
Multi	52250	Multifamily Programs	PPA Multifamily		4.25%	20	-	-	135,000	135,000	270,000	-
					Total CI&I Program Loans:		***$ 5,201,000***	***$ 5,983,400***	***$ 6,118,400***	***$ 6,118,400***	***$ 23,421,200***	***$ 22,544,000***
Finance	52200	CE Finance Prg	PPA Sub Debt into IPC Fund	Debt financing	5.5%	15	$ -	$ -	$ -	$ -	$ -	$ 1,500,000
Finance	52200	CE Finance Prg	Strategic Investments	Fort Hill Ag-Grid	5.0%	10	-	-	-	-	-	750,000
Finance	52200	CE Finance Prg	Strategic Investments	FuelCell Groton	8.0%	10	3,200,000	-	-	-	3,200,000	2,000,000
Finance	52200	CE Finance Prg	Strategic Investments	Unspecified	4.0%	10	-	-	2,500,000	2,500,000	5,000,000	5,000,000
					Total CE Finance Program Loans:		***$ 3,200,000***	***$ -***	***$ 2,500,000***	***$ 2,500,000***	***$ 8,200,000***	***$ 9,250,000***
					Total of all Program Loans:		***$ 8,401,000***	***$ 5,983,400***	***$ 8,718,400***	***$ 8,718,400***	***$ 31,821,200***	***$ 32,294,000***

Program Type - CGB Loans: Additions to Provision for Loan Losses for FY22 Investments

	Prob.	Ratio	FY22 Budget Q1	Q2	Q3	Q4	Total	FY21 Budget
Total MultiFamily Program Loans:	85%	10%	$ -	$ -	$ 19,975	$ 19,975	$ 39,950	$ 42,500
Total CI&I Program Loans-CPACE:	85%	10%	106,250	106,250	106,250	106,250	425,000	680,000
Total CI&I Program Loans-New Product Development	85%	10%	113,835	113,835	113,835	113,835	455,340	1,062,500
Total CI&I Program Loans-Solar PPA Development	85%	2%	38,250	51,552	51,552	51,552	192,906	-
Total CE Finance Program Loans:	75%	10%	240,000	-	187,500	187,500	615,000	693,750
Total Provision for Loan Losses:			***$ 498,335***	***$ 271,637***	***$ 479,112***	***$ 479,112***	***$ 1,728,196***	***$ 2,478,750***

Program Type - Interest Expense

Dept	Prg	Prg Name	Description	Interest Rate	Term	FY22 Budget Q1	Q2	Q3	Q4	Total	FY21 Budget
Multi	52251	Multifamily	HDF/MacArthur Interest Expense - $5.0m draw	1.0%	15	$ 12,500	$ 12,500	$ 12,500	12,500	$ 50,000	$ 50,000
SI	51100	RSIP	Interest Expense-SHREC ABS - Class A	5.1%	15	413,418	412,993	397,112	383,738	1,607,261	1,717,175
SI	51100	RSIP	Interest Expense-SHREC ABS - Class B	7.0%	15	27,963	27,944	26,870	25,964	108,742	116,178
SI	51100	RSIP	Interest Expense-Green Liberty Bond 2020	0.95%-2.90%	15	87,783	86,424	85,064	85,064	344,335	529,765
SI	51100	RSIP	Interest Expense-Green Liberty Bond 2021	3.5%	15	115,563	115,420	115,276	115,276	461,536	-
SI	51100	RSIP	Liberty/Webster SHREC Warehouse - Tranche 3	4.5%	1	-	-	-	-	-	32,000
SI	51100	RSIP	Liberty/Webster SHREC Warehouse - Tranche 4	4.5%	1	-	-	-	-	-	120,000
Finance	52200	CE Finance Prg	Amlagamated LOC - CTSL1/CTSLN1	4.1%	1	600	600	600	600	2,400	72,000
Finance	52200	CE Finance Prg	Amlagamated LOC - HACPACE	4.1%	1	-	-	-	-	-	50,000
Finance	52302	CREBs	New England Hydro CREBs net of Treasury Subsidy	4.09%	20	-	5,165	-	7,465	12,630	12,038
Finance	52302	CREBs	CSCU CREBs net of Treasury Subsidy	4.9%	20	-	48,667	-	72,508	121,175	126,765
						$ 657,828	$ 709,712	$ 637,422	$ 703,116	$ 2,708,079	$ 2,825,921

Connecticut Green Bank
FY 2022 Program Budget - DRAFT
Credit Enhancements

Credit Enhancements - Additions to Loan Loss Reserves - ARRA Funds

Dept	Prg Code	Prg Name	Description	FY22 Budget Q1	Q2	Q3	Q4	Total	FY21 Budget
				$ -	$ -	$ -	$ -	$ -	$ -
				-	-	-	-	-	-
				$ -	$ -	$ -	$ -	$ -	$ -

Credit Enhancements - Additions to Loan Loss Reserves - DEEP Funds

Dept	Prg Code	Prg Name	Description	FY22 Budget Q1	Q2	Q3	Q4	Total	FY21 Budget
				$ -	$ -	$ -	$ -	$ -	$ -
				$ -	$ -	$ -	$ -	$ -	$ -

Credit Enhancements - Additions to Loan Loss Reserves - CGB Funds

Dept	Prg Code	Prg Name	Description	FY22 Budget Q1	Q2	Q3	Q4	Total	FY21 Budget
Resi	52210	SmartE	CGB/Smart E loans	$ 59,479	$ 70,447	$ 45,559	$ 52,308	$ 227,794	$ 227,794
				-	-	-	-	-	-
				$ 59,479	$ 70,447	$ 45,559	$ 52,308	$ 227,794	$ 227,794

Credit Enhancements - Interest rate Buydowns - ARRA Funds

Dept	Prg Code	Prg Name	Description	FY22 Budget Q1	Q2	Q3	Q4	Total	FY21 Budget
Resi	52211	SmartE ARRA IRB	CGB/Smart E loans	$ 425,000	$ 425,000	$ -	$ -	$ 850,000	$ 1,592,491
				-	-	-	-	-	-
				$ 425,000	$ 425,000	$ -	$ -	$ 850,000	$ 1,592,491

Credit Enhancements - Interest rate Buydowns - CGB Funds

Dept	Prg Code	Prg Name	Description	FY22 Budget Q1	Q2	Q3	Q4	Total	FY21 Budget
				-	-	-	-	-	-
				$ -	$ -	$ -	$ -	$ -	$ -

Connecticut Green Bank
FY 2022 Program Budget - DRAFT
Financial Incentives - Grants and Rebates

				FY22 Budget						
Dept	Program Code	Program Name	Description	Q1	Q2	Q3	Q4	FY22 Budget	FY21 Budget	FY21 YTD Actuals
SI	51100	RSIP	PBI Incentives	$ 4,075,398	$ 1,671,342	$ 2,343,060	$ 2,922,890	$ 11,012,690	$ 11,021,268	$ 9,498,659
SI	51100	RSIP	EPBB Incentives	1,343,300	1,490,600	1,666,100	1,200,000	5,700,000	5,695,271	4,539,597
SI	52600	Federal Programs	CESA Grant	-	-	-	-	-	21,600	-
SI	52600	Federal Programs	Other Federal Grants	10,000	10,000	10,000	10,000	40,000	8,400	10,400
GenOps	99999	GenOps	Sustainable CT Grant	41,666	41,667	-	41,667	125,000	100,000	100,000
				$ 5,470,364	$ 3,213,609	$ 4,019,160	$ 4,174,557	$ 16,877,690	$ 16,846,539	$ 14,148,656

Connecticut Green Bank
FY 2022 General Operations Budget - DRAFT
Research and Development Expenditures

Project	Purpose	FY22 Budget	FY21 Budget	FY21 Actuals
Renewable Thermal Technology	RH&C	$ 25,000	$ 40,000	$ -
Environmental Infrastructure	Planning for expanded Mission	50,000	-	-
LMI	Energy Burden in Transportation Study		21,000	17,787
EMV	Joint Jobs Study with EEB	10,000	10,000	3,750
		$ 85,000	$ 71,000	$ 21,537

Connecticut Green Bank
FY 2022 General Operations Budget - DRAFT
Capital Expenditure Budget

	FY22 Budget	FY21 Budget	FY21 Actuals
IT Hardware & Software			
New/Replacement Desktops & Laptops	$ 30,000	$ 30,000	$ 30,138
Conference room equipment	15,000	-	-
	$ 45,000	$ 30,000	$ 30,138
Office Furniture & Equipment			
New Location-Cubicles/Furniture	$ 8,000	$ 325,000	
New Location-AV Equipment	9,000	52,000	-
New Location-EV Charging Stations	15,000	30,000	-
	$ 32,000	$ 407,000	$ -
Leasehold Improvements [1]			
New Location-Buildout in excess of allowance	$ -	$ 100,000	$ 600,218
New Location-Security	-	19,500	-
New Location-Cabling	-	52,000	-
New Location-Architecture/Engineering	-	65,000	-
New Location-Project Management	-	50,000	-
New Location-Contingency	-	75,000	-
New Location-White Noise/Sound Proofing	23,000	-	-
New Location-Fixes	15,000	-	-
New Location- Mini split for IT closet	16,000	-	-
	$ 54,000	$ 361,500	$ 600,218
Total Capital Expenditures	$ 131,000	$ 798,500	$ 630,356

[1] FY21 YTD actuals of $600,218 for the new locations will be split between Furniture & Equipment and Leasehold Improvements for 6/30/21 when we review invoices for capitalization.

Connecticut Green Bank
FY 2022 General Operations Budget - DRAFT
Strategic Partners

Partner	Department	RFP	Year of RFP	Work Performed	FY22 Budget	FY21 Budget
Adnet Technologies, LLC	General Operations	Y	2021	IT Outsourcing	$ 380,000	$ 380,000
Clean Power Research, LLC	Infrastructure	Y	2020	PowerClerk Software	470,000	475,000
Alter Domus (formerly Cortland)	Financing Programs	Y	2020	CPACE - Loan Servicing	152,000	127,600
CSW, LLC.	Financing Programs	Y	2019	State & Municipal PPA Development	451,250	250,000
Inclusive Prosperity Capital	Multiple	N (1)		Program Execution and Investment Management	1,366,220	1,366,220
AlsoEnergy LLC	Infrastructure	Y	2020	Monitoring Platform, Active Monitoring, RGM replacement	1,033,000	985,000
ReCurve Analytics	Financing Programs	Y	2018	CPACE EM&V	-	75,000
DNV (includes what was formerly ERS	Financing Programs	Y	2021	CPACE Technical Administrator, SHREC Due Diligence	209,000	122,000
CliftonLarsonAllen	General Operations	Y	2021	Auditing Services	133,400	125,000
Guidehouse (aka Navigant)	Incentives	Y	2021	Battery storage and social impact methodologies	300,000	100,000
Sustainable CT	Marketing	N (2)		Support with financing programs in communities	125,000	100,000
GO, LLC	Marketing	Y	2018	Support for CPACE and Green Liberty Bonds marketing	-	231,000
Adams & Knight	Marketing	Y	2019	Smart-E Digital Marketing; web hosting	-	120,000
Strategic Environmental Associates	Financing Programs	N (3)		Carbon Offset Customer Acquisition	160,000	150,000
Environmental Control, Inc., d.b.a ENCON	General Operations	Y	2017	Servicing PPA systems from a technical perspective	-	275,000
C-TEC Solar, LLC	Multiple	Y	2021	Servicing PPA systems from a technical perspective	286,667	-
Stark Raving	Marketing	Y	2021	Marketing Strategy, Media purchases, Website design	355,000	-
					$ 5,421,537	$ 4,881,820

Inclusive Prosperity Capital Breakdown

PSA	Human Capital Component	Administrative Component	FY22 Budget	FY21 Budget
Commercial Solar	$ 760,632	$ 29,350	$ 789,982	$ 235,779
LMI / Inv Management	220,938	8,500	$ 229,438	361,962
Smart-E	234,384	9,000	$ 243,384	270,837
Multifamily	99,516	3,900	$ 103,416	497,642
	$ 1,315,470	$ 50,750	$ 1,366,220	$ 1,366,220

(1) The Board of Directors of the Green Bank, per the Sustainability Strategy Pathway which was approved on December 15, 2017, reviewed and approved a series of agreements between the Green Bank and Inclusive Prosperity Capital on July 27, 2018, July 18, 2019, and June 26, 2020. Per the Comprehensive Plan of the Green Bank, IPC is a strategic partner of the organization.

(2) The Board of Directors of the Green Bank reviewed and approved a $100,000 grant as a Strategic Selection for Sustainable CT on September 12, 2019 and June 26, 2020 as part of the Research and Development budget to deliver measurable impact for the Solar PPA, C-PACE, and Solar for All programs. Per the Comprehensive Plan of the Green Bank, Sustainable CT is a strategic partner of the organization.

(3) The Green Bank has been working with Strategic Environmental Associates for several years on developing the methodology for the EV Carbon Offsets program. We have not done an RFP for their current role due to their unique familiarity with the standards they developed.

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CONNECTICUT GREEN BANK

Memo

To: Board of Directors

From: Sergio Carrillo (Director of Incentive Programs), Mackey Dykes (VP of Financing Programs and Officer), Brian Farnen (General Counsel and CLO), Bryan Garcia (President and CEO), Bert Hunter (EVP and CIO), Jane Murphy (EVP of Finance and Administration), and Eric Shrago (Managing Director of Operations)

Date: June 18, 2021

Re: Sustainability Plan Update – Request to Extend PSAs and Modify MOU with Inclusive Prosperity Capital

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Background

On October 31, 2017, the Connecticut General Assembly ("CGA") adopted a budget that swept $14.0 million a year of ratepayer funds through the Clean Energy Fund ("CEF") and $2.3 million a year of Regional Greenhouse Gas Initiative ("RGGI") allowance proceeds for a total of $32.6 million over FY 2018 and FY 2019 – more than 50% of the public revenues received by the Connecticut Green Bank ("Green Bank").

On December 15, 2017, in response to legislative sweeps, the Board of Directors of the Green Bank approved of a financial Sustainability Pathway ("Sustainability Plan") to enable the organization to manage through the sweeps while continuing to deliver on its mission and purpose.[1] The Sustainability Plan would pivot the Green Bank away from an investment strategy since inception geared towards maximizing leverage of private capital towards one focused on retaining more investments on the Green Bank's own balance sheet that collectively earn a rate of return that generate sufficient revenues to make the Green Bank financially sustainable over time.

The Sustainability Plan includes the following three (3) key elements:

1. **<u>Incentive Programs</u>** – managing the cash flow demands on the Green Bank as a result of administering the statutorily required Residential Solar Investment Program ("RSIP"),[2] by successfully monetizing and securitizing Solar Home Renewable Energy Credits ("SHRECs"). This would enable the Incentive Programs to fully cost recover its expenses, including incentives, administration, financing, and other costs associated with the RSIP

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[1] "Financially Wounded, Pioneering CT Green Bank Has a Path Forward" by Matt Pilon of the Hartford Business Journal (January 8, 2018)

[2] CGS 16-245ff

administration through the sale of SHRECs and 15-year Master Purchase Agreements ("MPAs") between the Green Bank and the Electric Distribution Companies ("EDCs");

2. **Financing Programs** –reducing operating expenses, managing non-operating expenses (e.g., loan losses), and implementing an investment strategy that generates cash flow (i.e., returns of principal and interest) from a portfolio of investments that delivers an average 5% return over a 10-year term to enable Financing Programs to breakeven in 4 to 7 years; and

3. **Nonprofit Organization** – cofounding a mission-aligned independent 501(c)3 nonprofit organization (i.e., Inclusive Prosperity Capital – "IPC") to efficiently deliver capital to underserved segments of the market in Connecticut and beyond, while transitioning certain staff at the Green Bank to become employees of this nonprofit organization and helping the Green Bank reduce its operating expenses over time as it pursues financial sustainability.

This memo provides a status update on the implementation of the Sustainability Plan (i.e., since December 15, 2017)[3] following on the legislative sweeps of FY 2018 and FY 2019, and requests an extension to the Professional Services Agreements ("PSA") and modifications to the Memorandum of Understanding ("MOU") between the Green Bank and IPC.

Incentive Programs

The first key element of the Sustainability Plan was to manage the cash flow impacts of Incentive Programs (i.e., RSIP) on the Green Bank. By aligning the upfront cash flow needs of the incentives required to support the implementation of the RSIP (i.e., expected performance based buydowns – "EPBB"; performance-based incentives – "PBI"), as well as support for the ongoing administrative and financing needs of the program, the revenues generated over time from the sale of SHRECs through an MPA with the EDCs could be monetized and then securitized through a funding warehouse and issuance of revenue bonds respectively – see Figure 1.

The Green Bank was able to monetize the value of the SHRECs by structuring a funding warehouse (i.e., line of credit) secured by the SHRECs with local banks (i.e., Webster Bank and Liberty Bank), enabling the Green Bank to make the requisite payment to the State General Fund, manage near-term cash flow liquidity needs, and then repay this line of credit by successfully securitizing the expected future stream of revenues (i.e., over 15 years) by issuing bonds (e.g., Green Liberty Bonds) from the sale of SHRECs to the EDCs through the MPA – see Table 1.[4]

And in so doing, the Green Bank's debut into the asset backed security and municipal bond markets was recognized with innovation awards by Environmental Finance and The Bond Buyer.

[3] Note – Sustainability Plan update also provided at the June 28, 2019 Board of Directors meeting

[4] "Amid Cash Shortfall, CT Green Bank Engineers a Financial Lifeline" by Matt Pilon of the Hartford Business Journal (April 29, 2019)

Figure 1. Incentive Programs – Cost Recovery through Cash Flow Management

When panels produce electricity for a home, they also produce **Solar Home Renewable Energy Credits (SHRECs)**. The Green Bank provides upfront incentives through RSIP and collects all the SHRECs produced per statute (i.e., PA 15-194).

Utilities required to enter into **15-year Master Purchase Agreement (MPA) with the Green Bank to purchase the stream of SHRECs produced**. This helps utilities comply with their clean energy goals (i.e., Class I RPS).

Green bonds are created from the SHREC revenues received through the MPA and **sold to institutional** (i.e., pension funds, insurance companies, etc.) and **retail investors** (i.e., friends and family) to **receive proceeds upfront**.

The Green Bank uses the SHREC revenues and green bond proceeds to **support the RSIP incentives** (i.e., PBI and EPBB), **cover admin costs**, and **financing costs** to achieve **350 MW of solar PV deployment and development of local solar PV industry**

Table 1. Overview of SHREC Tranches and the Associated Bond Proceeds Raised and Estimated Revenues

Tranche	**# of Projects**	**Installed Capacity** (kW)	**SHREC Price** ($/MWh)	**Est. 15-Year SHREC Revenues**[5] ($MM's)	**Est. RSIP Incentives** ($MM's)	**Bond Proceeds** ($MM's)[6]
1	6,796	49,200	$50	$33.9	$19.1	$16.5
2	7,258	59,800	$49	$40.5	$20.5	$22.1
3	4,818	39,300	$48	$26.4	$11.9	$16.1
4	6,956	59,400	$47	$38.9	$17.7	$24.8
5	7,266	61,900	$35	$30.6	$16.2	TBD
6	3,711	31,500	TBD	TBD	$5.3	TBD
Total	**36,805**	**301,200**		**$170.3**	**$90.8**	**$79.5**

The estimated revenues from the sale of SHRECs over 15-years of $170.3 MM will cover the expenses of the RSIP incentives (i.e., estimated at $90.8 MM),[7] as well as the ongoing

[5] P90 estimate of cumulative SHRECs produced over 15-years for each Tranche: Tranche 1 = 677,872; Tranche 2 = 826,677; Tranche 3 = 549,659; Tranche 4 = 826,640; and Tranche 5 = 875,120 for a total of 3,755,968 SHRECs

[6] Bond proceeds are used to pay prior RSIP incentives provided, administrative expenses, and issuance costs

[7] RSIP EPBB and PBI incentives paid to date for Tranche 1 through 4 is $43.3 MM, with estimated RSIP incentives left to be paid for Tranche 1 through 6 of $47.5 MM.

administrative (e.g., staffing, metering) and financing (i.e., bond issuance costs, interest expense) expenses over the life of the program – see Table 2.[8][9]

Table 2. Administrative and Financing Expenses[10] for RSIP (CY15 through CY20)

Administrative and Financing Expenses	CY15	CY16	CY17	CY18	CY19	CY20	Total
Operating	$3.3	$3.6	$3.2	$3.3	$5.9	$4.7	$24.0
Non-Operating	$0.0	$0.1	$0.0	$0.2	$1.8	$2.5	$4.6
Total Financing and Administrative Expenses	$3.3	$3.7	$3.2	$3.4	$7.7	$7.2	$28.6

Through CY20, the administrative and financing expenses have been $28.6 MM.

☑ **Incentive Programs** – the successful monetization and securitization of SHRECs helps the Green Bank manage its cash flows in the near and mid-terms through funding warehouses and issuances of green bonds to enable the Green Bank to continue its statutory implementation of the RSIP by providing incentives to homeowners and third-party owners, while recovering the ongoing administrative and financing expenses of the RSIP over time.

It should be noted that the successful implementation of the RSIP by the Green Bank will have fostered the sustained orderly development of a local solar industry through the deployment of no less than 350 MW of residential solar PV since its launch in March of 2012. As the market transitions to the EDC implementation of the renewable energy tariffs[11] starting January 1, 2022, the Green Bank will turn its Incentive Program focus to co-administering a battery storage incentive program with the EDCs for residential and non-residential end-use customers starting January 1, 2022.[12] The Green Bank will be responsible for catalyzing another clean energy market in battery storage supporting a PURA-determined target[13] for behind the meter battery storage of 580 MW by the end of 2030,[14] while fostering the sustained orderly development of a local battery storage industry, through the administration of an incentive program that is cost-recoverable (i.e., like the RSIP) based on the overall performance of the program.

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[8] It should be noted that before January 1, 2015, that there were 6,689 RSIP projects totaling 48,900 kW of deployment and $54.9 MM of incentives that were not subject to cost recovery under CGS 16-245ff. The RECs generated from these projects are sold into the open market through spot and future contracts to support those entities required to meet the Class I RPS.

[9] It should also be noted that the Board of Directors approved of an additional 32 MW of project approvals (i.e., SHREC-E projects") under the RSIP that is above and beyond the public policy goal of 350 MW in order to (1) achieve the public policy target (i.e., given attrition of approved projects), and (2) support the sustained orderly development of the market as it manages through COVID-19 and transitions from net metering to a tariff form of compensation. The Green Bank has engaged a Load Serving Entity to purchase RECs through a forward contract for the first several years of the SHREC-E projects.

[10] Administrative expenses include operating expenses (i.e. personnel and non-personnel related operating expenses) and non-operating expenses (i.e., interest expense and provision for loan losses) as tracked in RSIP Historical P&Ls dashboard in Intacct

[11] CGS 16-244z

[12] Resulting from the passage of SB 952 "An Act Concerning Energy Storage," and a subsequent decision by the Public Utilities Regulatory Authority ("PURA") through Docket No. 17-12-03RE03

[13] Straw proposal by PURA under Docket No. 17-12-03RE03

[14] Note – the recent passage of SB 952 "An Act Concerning Energy Storage" establishes a 1,000 MW storage target, including both behind the meter and front of the meter projects

Financing Programs
The second key element of the Sustainability Plan was to both reduce operating expenses (i.e., personnel and non-personnel related operating expenses), manage non-operating expenses (e.g., provision for loan losses), and increase earned revenues (e.g., interest income)[15] through Financing Programs (e.g., C-PACE, Green Bank Solar PPA). The strategy of reducing operating expenses, managing non-operating expenses, and increasing earned revenues would put the Green Bank's Financing Programs on a pathway to sustainability, or breakeven, where the operating and non-operating expenses would be offset by the earned revenues from projects financed.

Operating Expense Reductions
Reducing personnel-related operating expenses ("PROpEx") (i.e., salary and benefits) and non-personnel related operating expenses (e.g., program development and administration, marketing, EM&V, etc.), together are total operating expenses ("TOpEx"), is a component of the sustainability strategy for Financing Programs. Beyond TOpEx, prudently managing investments (e.g., minimizing loan losses), will keep non-operating expenses to a minimum so that total expenses ("TEx") are managed.

It should be noted that even though the Green Bank reports employee pension ("P") and other post-employment benefits ("OPEB") (together "POPEB") in its non-personnel related operating expenses, that the State of Connecticut (i.e., as Primary Government) is responsible to pay these benefits through the Connecticut State Employee Retirement System. Therefore, in terms of TOpEx and TEx, POPEB is excluded.

The Green Bank has made steady progress reducing PROpEx, TOpEx, and TEx over time – see Table 3.[16]

Table 3. Operating and Non-Operating Expense Reductions (FY17 through FY21 YTD) – Actuals ($MM's)

Expenses	FY17	FY18	FY19	FY20	FY21 (YTD)
PROpEx	$6.7	$5.8	$5.6	$5.4	$5.5
TOpEx	$12.7	$11.0	$10.7	$10.6	$9.3
▪ IPC portion of TOpEx	-	-	$1.1	$1.3	$1.0
TEx	$16.9	$12.1	$14.2	$15.9	$10.7
Pension and OPEB (POPEB)	$1.7	$3.4	$2.8	$3.7	TBD

From FY17 through FY20, PROpEx has been reduced by $1.3 MM or 19%, TOpEx has been reduced by $2.1 MM or 17%, and TEx has been reduced by $1.0 MM or 6% – all the while POPEB has increased by $2.0 MM or 118%.

It should be noted that in FY19 through FY21, included within non-personnel related operating expenses, are those expenses associated with IPC (e.g., $1.1 MM in FY19).

The Green Bank has made steady progress reducing operating expenses and managing non-operating expenses for Financing Programs from FY17 to FY21 year-to-date.

[15] Earned revenues are all revenues except CEF, RGGI, and SHRECs (i.e., SHRECs are earned revenues for Incentive Programs)
[16] Note – POPEB is removed from the non-personnel related operating expenses within TOpEx and TEx

☑ **Reduce Operating Expenses** – taking into consideration that the State of Connecticut as the primary government is responsible for Green Bank employee pension and OPEB, the Green Bank has made steady progress reducing operating expenses and managing non-operating expenses per the Sustainability Plan.

Earned Revenue Increases

Increasing earned revenues from Financing Programs by pursuing a portfolio strategy targeting a 5% return over a 10-year term in FY 2019 and beyond, is another key aspect of the Sustainability Plan as it applies to Financing Programs – see Table 4.

Table 4. Earned Revenue Increases (FY17 through FY21 YTD) – Actuals ($MM's)

Earned Revenues	FY17	FY18	FY19	FY20	FY21 (YTD)
Fees[17]	$0.1	$0.2	$0.2	$0.2	$0.1
PPA Income	$0.0	$0.0	$0.2	$0.5	$0.5
LREC/ZREC Income	$0.0	$0.0	$0.0	$0.3	$0.4
Interest Income[18]	$2.5	$3.1	$3.8	$5.8	$5.2
Other Income[19]	$0.1	$0.6	$1.4	$0.4	$0.5
Total Earned Revenues	$2.8	$4.0	$5.8	$7.1	$6.8

From FY17 through FY20, earned revenues have increased by $4.3 MM or 153%.

The Green Bank has made steady progress increasing earned revenues for Financing Programs from FY17 to FY21 year-to-date.

☑ **Increase Earned Revenues** – by investing public revenues (i.e., CEF and RGGI) through its Financing Programs, the Green Bank strengthens its balance sheet by turning cash assets into non-current assets (i.e., loans) that produce earned revenues (e.g., income from fees, sale of ZRECs and LRECs, interest income, etc.). The Green Bank has made steady progress increasing earned revenues per the Sustainability Plan, while at the same time, has invested prudently with a loss rate of less than 0.1%; being good stewards of and managing ratepayer funds enables this capital to be reinvested into additional projects as existing borrowers repay their financings.

Sustainability Ratios[20]

The Green Bank has made steady progress over the past several fiscal years on several sustainability ratios with respect to its Financing Programs, including:

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[17] C-PACE Closing Fee Income and Administrative Service Fee Income

[18] STIF, Intercompany, Solar Lease I Promissory Notes, Bonds C-PACE Selldowns, Delinquent C-PACE Payments, C-PACE Capitalized, Bank Deposits, HA C-PACE Promissory Notes, C-PACE Not Capitalized, Program Loans, Discount SBEA Loans, and Other

[19] REC Sales – Non SHREC, Cost of Sales – REC Sales, and Other Income

[20] The Green Bank's accounting software Intacct has a Sustainability Ratio dashboard for the Staffing Sustainability Ratio and the Program Sustainability Ratio

- **People Sustainability Ratio** – total earned revenues to PROpEx – see Table 5;

Table 5. People Sustainability Ratio (FY17 to FY21 YTD)

Revenues or Expenses	FY17	FY18	FY19	FY20	FY21 (YTD)
Earned Revenues	$2.8	$4.0	$5.8	$7.1	$6.8
PROpEx	$6.7	$5.8	$5.6	$5.4	$5.5
People Sustainability Ratio	0.42	0.69	1.02	1.33	1.23

PROpEx only includes personnel-related operating expenses (i.e., salary and benefits) of the Green Bank staff supporting Financing Programs.

- **Program Sustainability Ratio** – total earned revenues to TOpEx – see Table 6;

Table 6. Program Sustainability Ratio (FY17 to FY21 YTD)

Revenues or Expenses	FY17	FY18	FY19	FY20	FY21 (YTD)
Earned Revenues	$2.8	$4.0	$5.8	$7.1	$6.8
TOpEx	$12.7	$11.0	$10.7	$10.6	$9.3
Program Sustainability Ratio	0.22	0.36	0.54	0.67	0.73

TOpEx includes PROpEx and non-personnel related operating expenses (e.g., IPC, program development and administration, marketing, etc.) less POPEB.

- **Financial Sustainability Ratio** – TEx less POPEB – see Table 7; and

Table 7. Financial Sustainability Ratio (FY17 to FY21 YTD)

Revenues or Expenses	FY17	FY18	FY19	FY20	FY21 (YTD)
Earned Revenues	$2.8	$4.0	$5.8	$7.1	$6.8
TEx	$16.9	$12.1	$14.2	$15.9	$10.7
Financial Sustainability Ratio	0.17	0.33	0.40	0.45	0.63

TEx includes TOpEx and non-operating expenses (e.g., provision for loan losses).

- **State Sustainability Ratio** – total earned revenues to TEx with POPEB – see Table 8.

Table 8. State Sustainability Ratio (FY17 to FY21 YTD)

Revenues or Expenses	FY17	FY18	FY19	FY20	FY21 (YTD)
Earned Revenues	$2.8	$4.0	$5.8	$7.1	$6.8
TEx with POPEB	$18.6	$15.6	$17.1	$19.5	$10.7
State Sustainability Ratio	0.15	0.26	0.34	0.37	0.63

The Sustainability Ratios are demonstrating steady progress towards overall sustainability for Financing Programs. By managing personnel and non-personnel related operating expenses to efficiently and effectively invest public revenues (i.e., CEF and RGGI), and prudently managing non-operating expenses (e.g., loan losses), earned revenues are increased and losses are managed to offset the Green Bank's total expenses for its Financing Programs thereby steadily making progress towards sustainability over time (i.e., sustainability ratio greater than 1.0) – see Table 9.

Table 9. Sustainability Ratios (FY17 to FY21 YTD)

Sustainability Ratio	FY17	FY18	FY19	FY20	FY21 (YTD)
People Sustainability Ratio	0.42	0.69	1.02	1.33	1.23
Program Sustainability Ratio	0.22	0.36	0.54	0.67	0.73
Financial Sustainability Ratio	0.17	0.33	0.40	0.45	0.63
State Sustainability Ratio	0.15	0.26	0.34	0.37	0.63

It should be noted that there are other metrics the Green Bank tracks with an eye towards sustainability (e.g., present value of interest income from closed transactions to TOpEx in a given fiscal year) that help direct its overall sustainability strategy and mission.

☑ **Financing Programs** – as a result of reducing operating expenses (i.e., personnel and non-personnel related operating expenses), managing non-operating expenses (e.g., loan losses), and increasing earned revenues (e.g., interest income), the Financing Programs of the Green Bank have made steady progress towards sustainability for its people, programs, financial position, and the state.

Inclusive Prosperity Capital

The final element of the Sustainability Plan was to cofound an independent 501(c)3 nonprofit organization[21][22] – which we all now know as Inclusive Prosperity Capital or "IPC" – for the purposes of reducing operating expenses of the Green Bank, while seeking to support its mission by attracting mission-oriented investors in underserved market segments, strategic tax equity investment at scale (to support Green Bank Commercial Solar PPA transactions – including municipal Solar MAP and C-PACE) and providing investment opportunities for the Green Bank.[23]

Operating Expense Reductions – Personnel and Non-Personnel

The reduction in operating expenses of the Green Bank was from the transition of eight (8) staff members from the Green Bank to the newly created nonprofit organization.[24] Given the Green Bank's unique high overhead rate (at the time greater than 80% of base salaries - and now closer to 90%), the Green Bank would save at least 40% from overhead by transitioning former staff members to a newly created nonprofit organization. The Sustainability Plan included six (6) years of support to IPC, including one-hundred percent support (i.e., $1,.366,220) for three (3) years (i.e., FY 2019 through FY 2021), with a reduction to fifty

[21] IPC was cofounded by the Connecticut Department of Energy and Environmental Protection (DEEP), Connecticut Green Bank, and the Kresge Foundation

[22] It should be noted that IPC is an independent 501(c)3 nonprofit organization and not a component unit of the Green Bank

[23] "CT Green Bank Takes Novel Approach to Preserve Clean Energy Mission" by Matt Pilon of the Hartford Business Journal (August 6, 2018)

[24] State of Connecticut Office of State Ethics Advisory Opinion No. 2018-2 as it applies to Kerry O'Neill, Ben Healey, Kim Stevenson, Chris Magalhaes, John D'Agostino, Madeline Priest, Joe Buonannata, and Elizabeth Johnson

percent support (i.e., $683,110) for the following three (3) years (i.e., FY 2022 through FY 2024).

The staff of IPC support the mission of the Green Bank through several professional services agreements ("PSA") – see Table 10.

Table 10. IPC PSAs for the Green Bank, including Budgets and Full Time Equivalents ("FTE")

Product or Program	PSA #	FY 2021 Budget		FY 2022 Proposed Budget	
		Budget	FTE's	Budget	FTE's
Smart-E Loan	5410	$270,837	2.60	$244,484	2.20
Multifamily	5411	$497,642	2.30	$117,866	0.50
Solar PPA	5412	$235,779	1.25	$769,432	4.15
Low-to-Moderate Income	5413	$361,962	1.85	$234,438	1.15
Total		$1,366,220	8.00	$1,366,220	8.00

As evidenced by the table above, starting in Year 4 of the PSAs (i.e., FY 2022), IPC will refocus its efforts from a broad multifamily financing strategy (i.e., energy efficiency, renewable energy, and health & safety) that required significant technical support by consultants (i.e., high non-personnel related operating expenses for the Green Bank), to a more focused and specific Commercial Solar PPA financing strategy requiring less outside assistance (i.e., significant reduction in non-personnel related operating expenses for the Green Bank) and a sustainability focus for IPC (i.e., increased Commercial Solar PPA activity generally, including on affordable multifamily properties).[25] In an effort to further reduce operating expenses, while refocusing the services provided by IPC, the following reductions to the Green Bank's non-personnel related operating expenses for program development and administrative costs were identified within the proposed FY22 budget:

- Smart-E Loan – reduction of $286,134
- Multifamily – reduction of $404,298

Over $690,000 in non-personnel related operating expenses will be reduced in FY 2022 as a result of shifting strategy. This reduction in non-personnel related operating expenses will be offset by an extension to the PSAs and modification to the MOU with IPC – see Request for PSA Extensions and MOU Modification below.

Supporting the Mission of the Green Bank

The staff of IPC have assisted the Green Bank in achieving its public mission – see Tables 11 through 13.[26]

[25] With the recent passage of SB 356 "An Act Establishing an Energy Efficiency Retrofit Grant Program for Affordable Housing," changes were made to the behind the meter renewable energy tariff policy (i.e., CGS 16-244z) that would define tenants living in affordable multiunit dwellings as "residential customers". This policy change will enable more development and deployment of behind the meter renewable energy that will reduce the energy burden on individuals and families residing within affordable multifamily properties.

[26] Note – the Solar PPA actual to target is the result of "Lead by Example" with the State of Connecticut taking longer than anticipated to close transactions.

Table 11. IPC Support of Green Bank Mission – # of Projects by Product or Program (FY19-FY20)

Product or Program	FY 2019[27]			FY 2020[28]		
	Target	Actual	% Target	Target	Actual	% Target
Smart-E Loan	540	838	155%	540	737	136%
Multifamily	19	19	100%	10	18	180%
Solar PPA	25	20	80%	18	3	17%
Low-to-Moderate Income	586	847	145%	615	625	106%

Table 12. IPC Support of Green Bank Mission – Investment ($MM's) by Product or Program (FY19-FY20)

Product or Program	FY 2019			FY 2020		
	Target	Actual	% Target	Target	Actual	% Target
Smart-E Loan	$8.8	$10.8	123%	$7.2	$10.0	139%
Multifamily	$2.6	$3.2	123%	$1.5	$9.1	606%
Solar PPA	$14.1	$13.4	95%	$23.5	$1.4	6%
Low-to-Moderate Income	$15.6	$24.7	159%	$17.2	$15.7	91%

Table 13. IPC Support of Green Bank Mission – Deployment (MW) by Product or Program (FY19-FY20)

Product or Program	FY 2019			FY 2020		
	Target	Actual	% Target	Target	Actual	% Target
Smart-E Loan	1.3	0.9	69%	0.5	0.9	180%
Multifamily	0.1	0.3	344%	0.2	2.0	1000%
Solar PPA	6.3	4.1	66%	10.6	0.4	4%
Low-to-Moderate Income	3.6	6.1	156%	4.2	3.9	93%

From FY 2019 through FY 2020, IPC has directly supported the Green Bank in meeting its mission through four (4) PSAs. Through Q3 of FY 2021, IPC has continued to deliver measurable results for the Green Bank.[29] Despite the impacts of COVID-19 in FY 2020 and FY 2021, the work of IPC has helped the Green Bank meet its mission in Connecticut.

Attracting Mission-Oriented Investors to Underserved Markets

Prior to COVID-19, IPC made steady progress securing foundation and other investments, including:

- **Hewlett Foundation** – [redacted]

- **Kresge Foundation** – [redacted]

[27] IPC Quarterly Reporting (September 13, 2019) provided to the Board of Directors of the Green Bank (October 25, 2019)
[28] IPC Quarterly Reporting (August 26, 2020) provided to the Board of Directors of the Green Bank (October 23, 2020)
[29] IPC Quarterly Reporting (June 16, 2021) provided to the Board of Directors of the Green Bank (June 25, 2021)

- **McKnight Foundation** – [redacted]

As a result of longer time needed to convince investors of IPC's business model given its de novo and its nonprofit status, and the impacts of COVID-19, IPC's capital raise from foundations and other mission-aligned investors was delayed. COVID further delayed the capital raise for over a year, and only until recently has IPC been able to secure additional commitments and investment that is consistent with the expectations outlined from the original business plan, including:

- **New York Green Bank** – [redacted]

- **Elevate Energy/JPB Foundation** – [redacted]

- **Leon Lowenstein Foundation** – [redacted]

- **Mercy Partnership Fund** – [redacted]

- **Kresge Foundation** – [redacted]

- [redacted]

- [redacted]

- [redacted]

[redacted]

[redacted]

It has taken more time than originally anticipated for IPC to raise capital given the start-up nature of the organization, as well as its nonprofit status, convincing other investors of the value proposition, for the type of lending Green Bank has been doing for years, and managing through a global pandemic. Despite working through these challenges, IPC has supported the mission of the Green Bank, while also putting itself into a position to succeed given the recent success it is having raising capital from foundations and other mission-aligned investors.

☑ **Inclusive Prosperity Capital** – the successful creation of IPC by the Green Bank, DEEP, and the Kresge Foundation, has resulted in reductions to operating expenses to the Green Bank and support for the mission of the Green Bank delivering measurable results. It has taken more time (i.e., 2 years) for IPC to raise the capital it originally sought in its business plan given the complexities of the value proposition (e.g., nonprofit investment fund) and the adverse impacts the global pandemic had on markets.

Request for PSA Extensions and MOU Modification

Over the past six (6) months, the leadership of the Green Bank and IPC have been discussing the following areas with respect to the four (4) PSAs entered into beginning in FY 2019 and going through FY 2021:

- **Overview of Budgets** – review of the IPC Human Capital and Program Expenses in comparison to Green Bank personnel and non-personnel related operating expenses;

- **Review of Activities and Services** – review of the goals and progress to targets, deliverables, and staff allocations; and

- **Looking Ahead** – review of each of the PSAs, including the statements of work, people, and budget.

In addition to the extensive collaboration on the PSAs, the Green Bank and IPC leadership met on the MOU, including the Advisory Opinion (Appendix A), Promissory Note (Appendix B), and Cost Sharing Matrix (Appendix C), as well as the Fee Review Process.

These conversations identified areas where human and financial resources could be reallocated in the future given historical performance and emerging supportive public policies, and resulted in a consideration by the Green Bank leadership of IPC's request to extend the PSAs and revise the MOU.

Request for PSA Extensions

The Sustainability Plan had original support for IPC at the following levels for six (6) years from FY19 through FY24 – see Table 14.

Table 14. Non-Personnel Related Operating Expenses for IPC Human Capital (FY19 through FY24)

Budget Allocation	FY19	FY20	FY21	FY22	FY23	FY24
IPC Human Capital	$1,039,194	$1,247,206	$1,315,470	$657,735	$657,735	$657,735
Transitioning Staff	7[30]	8	8	8	8	8
% Coverage	100%	100%	100%	50%	50%	50%

A non-personnel related operating expense reduction of $657,735 would be expected in FY22 if the Green Bank were to follow the original Sustainability Plan approved by the Board of Directors on December 15, 2017.

However, the leadership of the Green Bank is requesting that the PSAs with IPC change and be extended an additional two (2) years, for a total of eight (8) years from FY19 through FY26 – see Table 15.

Table 15. Proposed Extension to PSAs between Green Bank and IPC for FY22 through FY26

Budget Allocation	FY22	FY23	FY24	FY25	FY26
IPC Human Capital	$1,315,470	$1,315,470	$986,603	$657,735	$328,868
Transitioning Staff[31]	8	8	8	8	8
% Coverage	100%	100%	75%	50%	25%

The leadership of the Green Bank is requesting the PSA extensions for the following reasons and makes this request as a strategic selection:

1. **<u>Sustainability Progress</u>** and Follow-on Investment – as noted in the Incentive Programs and Financing Programs sections above, the Green Bank has made steady progress towards its own sustainability and would be served well by assisting IPC in securing its own sustainability. Many of the staff of IPC were former staff of the Green Bank. They should be given an opportunity for sustainability given their service to the State of Connecticut and the circumstances they found themselves in with respect to the sweeps. This modification will ensure the continued success of our partnership with IPC.

2. **<u>Strategic Importance to our Mission</u>** – IPC has, and will continue to play a key role in delivering measurable results in support of the Green Bank's mission, including a renewed emphasis on efforts to reduce the energy burden on affordable multifamily properties through a focus on the Commercial Solar PPA product, and a pending battery storage incentive program co-administered by the Green Bank and the EDCs.

3. **<u>Reallocation of Resources</u>** – within the proposed FY22 budget are reductions to the Smart-E and Multifamily non-personnel related operating expenses of $690,432. This reduction would offset the extension request of the IPC PSAs valued at $657,735.

4. **<u>Unique Circumstances</u>** – with the loss of their leading finance specialist early on, the challenges for a start-up nonprofit investment fund getting lenders and investors comfortable with the business model took more time than anticipated resulting in a

[30] It should be noted that one (1) Connecticut Green Bank staff (i.e., Kim Stevenson) didn't transition to IPC until FY20

[31] It should be noted that Ben Healy and Chris Magalhaes are no longer with IPC, as the former joined PosiGen in February, 2019 (and supported IPC part time through July 2019), while the latter was recruited to the DOE's Loan Program Office in May of 2021. Both of these individuals are finance specialists.

slower capital raise than anticipated, and with the onset of COVID in March of 2020, the progress made in capital raising was delayed as foundation and impact investors had to immediately shift their attention to existing investees who were in dire need of urgent financial assistance and until such time as the entire market adjusted to a new reality of shelter in place, social distancing, and mask wearing policies until a vaccine was invented, approved, and administered to restore public health. However, IPC is now seeing sustained progress on capital raising, demonstrating that the initial fund thesis is sound, albeit delayed, and now must focus on originating transactions to generate revenues to achieve sustainability.

5. **Special Capabilities** – As IPC is composed of former Green Bank employees with immense institutional knowledge of our programs and a track record of success, they are uniquely qualified to partner with and support the Green Bank to achieve our missioned aligned goals and metrics while lowering operating costs and helping the Green Bank achieve its own sustainability goals.

In discussing the extension request above with the Budget, Operations, and Compensation Committee ("BOC Committee"),[32] the BOC Committee requested that the staff ascertain whether or not the proposed extension was sufficient (e.g., in budget allocation and/or time) given the current circumstances being faced by IPC, so as to not require a similar request for an extension in the future.

With respect to IPC, management of the Green Bank is guided by the following principles:

- **<u>Continue Sustainability Progress</u>** – Green Bank needs to continue to make steady progress on and prioritize the sustainability of its Financing Programs considering changing circumstances (e.g., revising investment portfolio target from average 5% return over 10-year term);[33]

- **<u>Sustainability Alignment</u>** – IPC must prioritize sustainability as well by managing its operating expenses, but more importantly increasing earned revenues (i.e., interest income) by using the capital it has raised to originate and finance projects (i.e., solar PPA).

After careful consideration, management believes the proposed extension to the PSAs in terms of increasing the budget allocation (i.e., maintaining at 100% for FY22 and FY23, reducing to 75% for FY24, 50% for FY25, and 25% for FY26) and extending the time (i.e., adding an addition two (2) years – FY25 and FY26), are – under present conditions – sufficient to follow such principles and will work closely with IPC to achieve them.

Request for MOU Modifications
The MOU between the Green Bank and IPC included a cost sharing matrix which outlined various services and fees. To support IPC's continued transition to independence (i.e., not a component unit of the Green Bank), the responsibility of the following costs would immediately be assumed by IPC at 100% beginning in Year 4 (i.e., FY22):

[32] June 16, 2021

[33] As a result of the Sustainability Plan, one of the Green Bank's three (3) goals is sustainability – to pursue investment strategies that advance market transformation in green investing while supporting the organization's pursuit of financial sustainability.

- **Office Space** – space in both the Stamford and Hartford offices

- **Hardware** – computers, monitors, etc.

- **Software** – MS Office suite

- **Other** – including program specific technology, general IT infrastructure, and telecommunications

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Conclusions

The legislative sweeps of 2017 had a far-reaching impact on the Green Bank requiring it to develop and implement a Sustainability Plan to restructure and maintain its statutory mission. The Incentive Programs and Financing Programs of the Green Bank are delivering exceptional results by increasing public and private investment, helping families and businesses reduce the burden of energy costs, and deploying more clean energy on and within their homes and buildings. Through the successful implementation of these programs, the Green Bank has steadily improved its sustainability – a strategic and adequate response to the devastation caused by the sweeps. IPC was cofounded by the Green Bank, DEEP, and the Kresge Foundation as part of the restructuring strategy, which would extend the impact of the Green Bank both inside and outside its borders through an independent 501(c)3 nonprofit organization. The leadership of the Green Bank is requesting a modification of the Sustainability Plan to include a two (2) year extension to the PSAs and modification of the MOU entered into with IPC.

Resolution

RESOLVED, that the Board of Directors ("Board") of the Connecticut Green Bank ("Green Bank") hereby approve of the modification and extension of the four Professional Service Agreements and the Memorandum of Understanding dated August 3, 2018 between the Green Bank and Inclusive Prosperity Capital, Inc. ("IPC") as described in the Memorandum to the Board dated June 18, 2021 (the "Memorandum") 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 partnership between the Green Bank and IPC; 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 these resolutions.

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CONNECTICUT GREEN BANK

Memo

To: Connecticut Green Bank Board of Directors

From: Bert Hunter, EVP and CIO and Louise Della Pesca, Associate Director, Clean Energy Finance

CC: Bryan Garcia, President and CEO; Jane Murphy, Executive Vice President of Finance and Administration; Brian Farnen, General Counsel and CLO; Eric Shrago, Director of Operations

Date: June 18, 2021

Re: Amalgamated Bank Revolving Credit Facility Renewal for FY22

Purpose

This memo seeks approval from the Connecticut Green Bank ("Green Bank") Board of Directors (the "Board") for the Green Bank to renew, by way of an amendment, its existing $5,000,000 line of credit (the "Original Revolving Credit Facility") with Amalgamated Bank ("Amalgamated") for a $3,500,000 secured revolving line of credit (the "Amended Revolving Credit Facility"). As with the Original Revolving Credit Facility, the Amended Revolving Credit Facility would continue to be used for short-term liquidity and working capital needs. The original selection of Amalgamated as the provider of these facilities followed the completion of a Request for Proposals ("RFP") process that closed October 19, 2018. The Original Revolving Credit Facility was approved by the Board on December 14, 2018 and became effective May 22, 2019. Amalgamated has extended the Original Revolving Credit Facility pending approval by the Green Bank Board of the Amended Revolving Credit Facility and final documentation executed by the Green Bank and Amalgamated.

Description of the Facility – Use and Description

As a revolving facility, the Green Bank would borrow and repay advances in order to meet the Green Bank's short-term liquidity and working capital needs. The Green Bank has made good use of the facility since it was put in place in May 2019. At the present time, the Green Bank has $100,000 of the facility drawn. Since the facility is secured with cash flows from consumer-based receivables, with the loan balances associated with the receivables declining, the "credit ceiling" of the facility will decline at a steady $300,000 quarterly rate as follows:

Opening available balance	$3,500,000
June 30, 2021	$3,200,000
September 30, 2021	$2,900,000
December 31, 2021	$2,600,000
March 31, 2021	$2,300,000

The facility would terminate and any loan balance outstanding would be payable not later than the expiration of the facility on May 21, 2022 (unless extended by mutual agreement).

[redacted]

Other key facility terms are as follows:

- Borrower (Green Bank) to maintain a 2.00x DSCR. Debt Service Coverage Ratio shall mean "Borrower's earnings before interest, taxes, depreciation, amortization, and loan loss provision divided by interest and principal due and owing during such quarter". (Green Bank can easily satisfy this covenant.)
- Guarantors (CT Solar Lease I LLC and CT Solar Loan I LLC) shall maintain a Net Present Value Ratio of 1.11x, at all times, tested monthly. Net Present Value Ratio shall mean "the net present value of the Guarantors' loan and lease portfolios divided by the Available Amount [of the facility]."

[redacted]

Description of the Facility - Security

Along with a general repayment obligation by the Green Bank, Amalgamated would be secured by a Guaranty of two subsidiaries: CT Solar Lease 1 LLC and CT Solar Loan 1 LLC (the "Guarantors"), as well as first priority security interest in, and an absolute assignment of all cash flows associated with, the CT Solar Lease 1 Notes portfolio and the CT Solar Loan 1 Notes portfolio (the "Collateral").

Strategic Plan

Is the program proposed, consistent with the Board approved Comprehensive Plan and Budget for the fiscal year?

Yes – the proposed facility enables Green Bank to fund advances in respect of various programs active under Green Bank's Comprehensive Plan (C-PACE, Commercial Solar PPA, etc.).

Ratepayer Payback

How much clean energy is being produced (i.e. kWh over the projects lifetime) from the program versus the dollars of ratepayer funds at risk?

N/A (funds from the Amended Revolving Credit Facility are being borrowed, not advanced)

Terms and Conditions

What are the terms and conditions of ratepayer payback, if any?

N/A (funds from the Amended Revolving Credit Facility are being borrowed, not advanced – key terms have been explained in the memorandum above)

Capital Expended

How much of the ratepayer and other capital that Green Bank manages is being expended on the project?

N/A (funds from the Amended Revolving Credit Facility are being borrowed, not advanced)

Risk

What is the maximum risk exposure of ratepayer funds for the program?

N/A (funds from the Amended Revolving Credit Facility are being borrowed, not advanced)

Financial Statements

How is the program investment accounted for on the balance sheet and profit and loss statements?

When funds are borrowed:

$x Debit: Cash

$x Credit: Short Term Borrowings

When funds are repaid:

$x Debit: Short Term Borrowings

$x Credit: Cash

Target Market

Who are the end-users of the engagement?

The end users of the Amended Revolving Credit Facility are Green Bank as well as the underlying programs and projects that receive short-term funding from the underlying line of credit.

Green Bank Role, Financial Assistance & Selection/Award Process

The Green Bank role is as the borrower, and Amalgamated was chosen as the lender via an RFP process in 2018.

Program Partners

Amalgamated Bank.

Established 97 years ago, Amalgamated Bank is the largest socially responsible bank in America. Through its treasury management, lending and investment management capacities, Amalgamated aims to provide the financial support to its clients who pursue socially and economically responsible objectives. Amalgamated provides the day-to-day banking services and clean finance solutions to environmentally-focused organizations.

Risks and Mitigation Strategies

The main risk associated with the Amended Revolving Credit Facility is that, in the event of default by the Green Bank, the amount outstanding under the facility becomes due. Such repayment risk is mitigated by the following structural components of the Amended Revolving Credit Facility:

1.) The Green Bank is able to repay the Amended Revolving Credit Facility with available cash held in accounts on its balance sheet, and given the overall health of the Green Bank's long-term balance sheet position, there is ample coverage in the form of available net assets relative to the size of the line of credit to raise other credit facilities if needed.

2.) Because the Amended Revolving Credit Facility is short-term in nature, to be used in between a financing opportunity and a capital sourcing/monetization event, there is less uncertainty with regards to the economic position of the Green Bank while amounts drawn are outstanding relative to other types of longer-term credit facilities. The Green Bank will operationalize the utilization of the Amended Revolving Credit Facility so that a definitive "source" of short term revenue is identified to repay the "use" of the Amended Revolving Credit Facility within the requirements of the definitive transaction documentation.

Resolutions

WHEREAS, the selection of Amalgamated Bank ("Amalgamated") as the provider of an existing secured revolving line of credit in the amount of $5,000,000 ("Original Revolving Credit Facility") followed the completion of a Request for Proposals ("RFP") process in accordance with the Connecticut Green Bank ("Green Bank") operating procedures that closed October 19, 2018 and was approved by the Green Bank Board of Directors ("Board") at a meeting held December 14, 2018;

WHEREAS, the Original Revolving Credit Facility was renewed by Amalgamated in 2020 and approved by the Board at a meeting held June 26, 2020;

WHEREAS, Green Bank staff has submitted to the Board a proposal for Green Bank to enter into an agreement with Amalgamated Bank ("Amalgamated") to amend the Original Revolving Credit Facility in the revised amount of $3,500,000 ("Amended Revolving Credit Facility") whereby the Amended Revolving Credit Facility would continue to be used in order to meet Green Bank's short-term liquidity and working capital needs; and

WHEREAS, along with a general repayment obligation by Green Bank, Amalgamated would continue to be secured by a Guaranty of two subsidiaries: CT Solar Lease 1 LLC and CT Solar Loan 1 LLC (the "Guarantees"), as well as first priority security interest in, and an absolute assignment of all cash flows associated with, the CT Solar Lease 1 Notes portfolio and the CT Solar Loan 1 Notes portfolio (the "Collateral"); and

WHEREAS, Green Bank staff recommends that the Board approve the proposed Amended Revolving Credit Facility, generally in accordance with the memorandum presented to the Board, dated June 18, 2021.

NOW, therefore be it:

RESOLVED, that the Board approves Green Bank to enter into the Amended Revolving Credit Facility with Amalgamated, to issue the Guarantees and pledge the Collateral in a manner materially consistent with the memorandum presented to the Board dated June 18, 2021; and

RESOLVED, that the President, Chief Investment Officer and 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 Amended Revolving Credit Facility, the Guarantees and the Collateral 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 effect the above-mentioned legal instrument or instruments.

Submitted by: Bert Hunter, EVP and CIO and Louise Della Pesca, Associate Director, Clean Energy Finance

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CONNECTICUT GREEN BANK

Memo

To: Board of Directors, Connecticut Green Bank

From: Louise Della Pesca, Associate Director, Clean Energy Finance and Bert Hunter, EVP & CIO

CC: Bryan Garcia, President and CEO; Brian Farnen, General Counsel and CLO; Jane Murphy, EVP Finance and Administration

Date: June 18, 2021

Re: Amendment of CGB's Existing Senior Secured Term Loan to Skyview Ventures LLC's Special Purpose Vehicle

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Introduction

This memorandum offers an update to the Connecticut Green Bank ("CGB") Board of Directors ("Board") on the performance of the existing senior secured term loan facility ("Term Loan") with Skyview Ventures LLC and makes a request to approve an amendment to the Term Loan documentation such that future advances under the facility may be made under revised commercial terms. At its meeting held May 26, 2021, the CGB Deployment Committee passed a resolution recommending that the Board approve the amendment of the Term Loan.

Background: Existing Term Loan with Skyview Ventures LLC

Since its approval in March of 2020, the existing Term Loan with Skyview Venture LLC's wholly owned special purpose vehicle ("Skyview SPV") has expanded to $7M. Through six separate advances, CGB has deployed $3.5M against 28 solar facilities, representing a total of 2.6MW clean energy capacity financed. Table 1 below details the history of the loan facility:

Table 1 – History of expansion of Skyview SPV Term Loan

Date of Board Approval	Total Facility Size, MM	Further Detail
March 25, 2020	$2.3	Appendix 4: Terms of Original Loan
April 24, 2020	$3.5	Appendix 3: Board Memo
October 23, 2020	$7.0	Appendix 2: Board Memo

Date of Board Approval	Total Facility Size, MM	Further Detail
April 23, 2021	$7.0 – additional 10 projects added to approved pipeline	Appendix 1: Board Memo

Term Loan Performance

- Borrower (Skyview SPV) is current on quarterly principal and interest payments
- Projects have generated an average of ~90% of expected lifetime production (kWh).
- 27 of 28 project off-takers are current on payments under the power purchase agreements, and one off-taker is one month late in making payment but this delinquency is expected to be resolved quickly.

Amendment to Term Loan documentation

Staff has been in the process of reviewing CGB's interest rates across a range of product and risk categories, including funding in respect of our Commercial Property Assessed Clean Energy ("C-PACE") program and Commercial Solar PPA with Inclusive Prosperity Capital ("IPC") and others (such as Skyview). This review was taken up in the context of a determined softness in CGB's markets for these activities, lower market interest rates more generally, comments from the marketplace across a range of counterparties, including several C-PACE contractors and developers, commercial solar PPA developers, solar funds (including IPC, Skyview, and others) that the funding rates demanded by CGB had become uncompetitive in the market. This was not always the case – and CGB has been careful to stay abreast of market terms. But the gap between CGB's rates and the markets has now expanded to the point where – unless corrective action is taken – CGB will become less relevant in the market for funding generally. We see this as contrary to our goal of being a part of and helping to expand and invigorate the market, particularly for state projects, municipal projects and affordable multifamily projects. Maintaining a portfolio of transactions also helps with CGB's fiscal sustainability, in line with the Board's directive for CGB to work itself toward self-sustainability over time (Board meeting December 2017).

Accordingly, in line with this realignment of interest rates, staff propose amending the terms of future advances to Skyview SPV to maintain the attractiveness and competitiveness of the facility. If the Term Loan is brought in line with the wider debt market, Skyview has expressed to CGB it is more likely to utilize the Term Loan to finance its development of commercial solar projects in CT. Skyview's pipeline is currently over 6MW, which represents an excellent opportunity to deploy CGB capital. Table 2 summarizes the proposed amendment to the terms of future advances.

Table 2: Comparison of existing terms to proposed amended terms for future advances

	Existing	**Proposed amendment**
Interest rate	5.50%	Dependent on off-taker: - State: 3.00% - Municipal: 3.75% for issuers of investment grade debt; between 3.75% and 4.50% otherwise, dependent on financial underwriting of municipality - Affordable housing: 4.25% - Other: 4.50%
Term length	15 years	Up to 25 years (to not exceed the remaining PPA term length of underlying project(s))[1]
Debt service coverage ratio	No lower than 1.30x	No lower than 1.30x
Advance Rate	Up to 70%	Up to 75%

CGB will conduct the same due diligence activities on projects financed under the amended terms as it has on projects it has financed to date. CGB reserves the right in the loan documentation to not finance any project that does not meet its diligence requirements, including but not limited to:

- Lower of a 1.30x DSCR or a 75% advance rate (using a discount factor equivalent to interest rate on the advance)
- CGB review and approval of the major contracts associated with the PPA Projects (PPA, engineering, procurement and construction agreement, renewable energy credit contract)
- Use of 'tier 1' equipment in the construction of the projects
- CGB review and approval of operations and maintenance contracted program
- Underwriting of offtaker / review of evidence that offtaker has recently issued investment grade rated debt (or that a credit rating on outstanding debt has been affirmed as investment grade) OR the PPA obligation is being secured through the C-PACE program.

Ratepayer Payback

How much clean energy is being produced (i.e. kWh over the projects' lifetime) from the project versus the dollars of ratepayer funds at risk?

[1] NOTE: This "up to 25-year" standard is in line with our lending terms with solar PV transactions funded 100% by C-PACE advances and would only apply for PPA's to investment grade customers or those customers where the PPA obligation is secured through C-PACE.

The total portfolio is expected to produce 105,000,000 kWh of energy, over a 20-year period, and the Term Loan is up to $7.0M. The ‘kWh / $ ratepayer funds at risk’ metric is forecast to be 15.

Capital Extended

How much of the ratepayer and other capital that Green Bank manages is being expended on the project?

The Term Loan will not exceed $7.0M, as approved in the October 23, 2020 Board meeting.

Strategic Selection

In the memorandum to the Board dated March 18, 2020 (Appendix 3), staff outlined the reasons why the Term Loan transaction with Skyview falls within the parameters of a strategic selection. The rationale in the March 18, 2020 memorandum still apply as well as the additional information provided herein.

Recommendation

In conclusion, based on the good performance of the Term Loan and the underlying assets that secure it, and the opportunity to finance similar assets going forward, staff requests that Deployment Committee make a recommendation to the Board to approve an amendment to the Term Loan to ensure that it is a competitive and attractive financing option.

Resolutions

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-based solar developer, Skyview Ventures LLC (“Skyview”), and through that relationship the Green Bank has an opportunity to deploy capital for the development of clean energy in Connecticut, and specifically toward commercial solar PPA projects developed by Skyview in Connecticut (“Skyview PPA Projects”);

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;

WHEREAS, based on diligence of Green Bank staff for a senior secured loan facility (“Original Term Loan”) 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 in an amount not to exceed $2.3M as a Strategic Selection and Award pursuant to the Green Bank Operating Procedures Section XII;

WHEREAS, the Board passed resolutions at its meeting held on March 25, 2020 to approve the Original Term Loan transaction in an amount not to exceed $2.3M 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 Original Term Loan transaction;

WHEREAS, the Board passed resolutions at its meeting held on April 24, 2020 to expand the Original Term Loan transaction to an amount not to exceed $3.5M (the "Modified Term Loan");

WHEREAS, the Board passed resolutions at its meeting held on October 23, 2020 to expand the Modified Term Loan transaction to an amount not to exceed $7M (the "Existing Term Loan");

WHEREAS, at its meeting held May 26, 2021, the Green Bank Deployment Committee recommended that the Board approve staff's request to amend and restate the Board's existing approval of the Existing Term Loan transaction on terms and conditions substantially consistent with those described in the memorandum presented to the Deployment Committee.

NOW, therefore be it:

RESOLVED, that the Board approves staff's request to amend and restate the Board's existing approval of the Existing Term Loan transaction as described in the memorandum submitted by the staff to the Board and dated June 18, 2021 (the "Memorandum") 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 Existing Term Loan transaction.

Submitted by: Louise Della Pesca, Associate Director, Clean Energy Finance and Bert Hunter, EVP & CIO

Appendix 1: Resolutions passed by Board of April 23, 2021 to increase number of approved projects under Term Loan facility

WHEREAS, the Connecticut Green Bank ("Green Bank") has significant experience in the development and financing of commercial solar power purchase agreement ("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-based solar developer, Skyview Ventures LLC ("Skyview"), and through that relationship the Green Bank has an opportunity to deploy capital for commercial solar PPA projects developed by Skyview in Connecticut ("Skyview PPA Projects");

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;

WHEREAS, based on diligence of Green Bank staff for a senior secured loan facility ("Original Term Loan") the Green Bank Deployment Committee (the "Deployment Committee") on February 27, 2020 recommended to the Green Bank Board of Directors (the "Board") the approval of the Term Loan transaction in an amount not to exceed $2.3M as a Strategic Selection and Award pursuant to the Green Bank Operating Procedures Section XII;

WHEREAS, the Board passed resolutions at its meeting held on March 25, 2020 to approve the Original Term Loan transaction in an amount not to exceed $2.3M as a Strategic Selection and Award given the special capabilities, uniqueness, strategic importance, urgency and timeliness, and multi-phase characteristics of the Original Term Loan transaction;

WHEREAS, the Board authorized the expansion of the Original Term Loan transaction in an amount not to exceed $3.5M on April 24, 2020 (the "Modified Term Loan");

WHEREAS, the Board authorized the expansion of the Modified Term Loan transaction to an amount not to exceed $7M on October 23, 2020 (the "Existing Term Loan"); and

WHEREAS, based on an expanding pipeline of Skyview PPA Projects and diligence of Green Bank staff, Green Bank staff proposes the expanded pipeline be approved for future advances within the limits of the Existing Term Loan.

NOW, therefore be it:

RESOLVED, that the Board hereby amends and restates its approval of the Existing Term Loan transaction as described in the Project Qualification Memo submitted by the staff to the Board and dated April 18, 2021 (the "Memorandum") to include the expanded project pipeline of Skyview PPA Projects to be qualified for future advances within the $7,000,000 limit of the Existing Term Loan 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 Existing 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 effect these resolutions.

Appendix 2: Memo to Board for approval of $7M Term Loan

Memo

To: Board of Directors, Connecticut Green Bank

From: Louise Della Pesca, Associate Director, Clean Energy Finance and Bert Hunter, EVP & CIO

CC: Bryan Garcia, President and CEO; Brian Farnen, General Counsel and CLO

Date: October 14, 2020

Re: Financing for a Senior Secured Term Loan to Special Purpose Vehicle owned by Skyview Ventures LLC: Expansion from $3.5M to $7.0M

Introduction – Background to Request for Facility Expansion

At the Connecticut Green Bank ("CGB") Board of Directors ("Board") meetings held on March 25 and April 24, 2020, resolutions were passed to enable CGB to enter into a senior secured term loan facility ("Term Loan") with a special purpose vehicle ("SPV" or "Borrower") that is wholly owned by Skyview Ventures, LLC ("Skyview"). At its March 25, 2020 meeting, the Board approved a facility size of $2.3M, which was then expanded to $3.5M on the same economic terms by resolutions passed at the April 24, 2020 meeting. The memorandum presented to the Board at the April 24, 2020 meeting, including detail on the economic terms, transaction structure, and risks and mitigants, is found in Appendix 1.

Since Board approval was granted, CGB has entered into loan documentation with the Skyview SPV (the "Existing Term Loan") and $2.1M of capital has been deployed in three separate advances. Beyond the projects being financed under the Existing Term Loan, Skyview has continued to develop a pipeline of high quality commercial solar power purchase agreement projects ("PPA Projects") with primarily municipal off-takers in Connecticut. The PPA Projects are due to achieve commercial operations in the remaining months of 2020 and into 2021. Skyview has offered CGB the opportunity to advance debt against these PPA Projects on the same economic terms as the Existing Term Loan via an expansion from $3.5M to $7.0M (the "Expanded Term Loan").

This memorandum offers an update to the Board on the economic and energy production performance of the Existing Term Loan to date, and makes a request for approval of the increased transaction size of the Expanded Term Loan.

Term Loan Performance

- Borrower is current on quarterly principal and interest payments

- Table 1 summarizes the energy production and off-taker payment performance of 20 PPA Projects[2] that CGB has advanced against to date.
- The weighted average energy production performance in the [year to date] is 91% of expectation, which is consistent with CGB's own portfolio of commercial solar projects in 2020.
- When structuring the Term Loan, CGB stress-tested expected production and found that a 10% reduction in performance would still ensure a 1.18x debt service coverage ratio ("DSCR").
- All but one of the 20 off-takers is fully current on monthly payments. One off-taker is delinquent by a single month, when a change in personnel resulted in a miscommunication on invoicing. Skyview is confident that the delinquency will be resolved.

Table 1 – Energy Production and Payment Performance of 20 PPA Projects since start of Term Loan

[redacted]

[redacted]

Overview of Collateral - Update

When it was sized to $3.5M, the Term Loan was projected to finance 26 PPA Projects. So far, 21 PPA Projects have been financed. Table 2 summarizes Skyview's updated financeable pipeline of PPA Projects under and expanded Term Loan.

Table 2 – Skyview PPA Project Pipeline, 2020 and 2021

[redacted]

[redacted]

CGB will conduct the same due diligence activities on PPA Projects in the expanded pipeline as it has on PPA Projects it has financed to date. CGB reserves the right in the loan documentation to not finance any PPA Project that does not meet its diligence requirements, including but not limited to:

- Lower of a 1.30x DSCR or a 70% advance rate (using a discount factor of 5.50%)
- CGB review and approval of the major contracts associated with the PPA Projects (PPA, engineering, procurement and construction agreement, renewable energy credit contract)
- Use of ‘tier 1’ equipment in the construction of the PPA Projects
- CGB review and approval of operations and maintenance contracted program
- Underwriting of off-taker / review of evidence that off-taker has recently issued investment grade rated debt

Ratepayer Payback

How much clean energy is being produced (i.e. kWh over the projects lifetime) from the project versus the dollars of ratepayer funds at risk?

The portfolio is expected to produce 80,000,000 kWh of energy, over a 15 year period, and the Term Loan is up to $7.0M. The kWh / $ ratepayer funds at risk is forecast to be 11.4.

Capital Extended

How much of the ratepayer and other capital that Green Bank manages is being expended on the project?

The Expanded Term Loan will not exceed $7.0M.

Recommendation

In conclusion, based on the good performance of the Existing Term Loan and the underlying assets that secure it, as well as the proposed due diligence approach for future PPA Projects which could be financed by the Expanded Term Loan, and in light of the resolutions of the Board at the meeting on April 24, 2020 to approve a loan facility not to exceed $3.5M, Staff recommends approval of the Expanded Term Loan proposal, with a loan facility not to exceed $7.0M.

Revised and Restated Resolutions

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, and specifically toward commercial solar PPA projects developed by Skyview in Connecticut ("Skyview PPA Projects");

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

WHEREAS, based on diligence of Green Bank staff of the proposed senior secured loan facility ("Term Loan") 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 in an amount not to exceed $2.3M as a Strategic Selection and Award pursuant to the Green Bank Operating Procedures Section XII;

WHEREAS, the Board passed resolutions at its meeting held on March 25, 2020 to approve the Term Loan transaction in an amount not to exceed $2.3M 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;

WHEREAS, the Board passed resolutions at its meeting held on April 24, 2020 to expand the approved the Term Loan transaction to an amount not to exceed $3.5M; and

WHEREAS, based on an expanding pipeline of Skyview PPA Projects and diligence of Green Bank staff, Green Bank staff proposes the Term Loan be increased.

NOW, therefore be it:

RESOLVED, that the Board hereby amends and restates its approval of the Term Loan transaction as described in the Project Qualification Memo submitted by the staff to the Board and dated October 14, 2020 (the "Memorandum") to increase the amount of the Term Loan from $3.5 million to $7.0 million 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 effect this Resolution.

Submitted by: Louise Della Pesca, Associate Director, Clean Energy Finance and Bert Hunter, EVP & CIO

Appendix 3: Memo to Board for approval of $3.5M Term Loan

Memo

To: Board of Directors, Connecticut Green Bank

From: Louise Della Pesca, Associate Director, Clean Energy Finance; Desiree Miller, Senior Manager, Clean Energy Finance; Fiona Stewart, Manager, Clean Energy Finance; Mariana Cardenas Trief, Principal, Monte Verde Consulting LLC

CC: Bryan Garcia, President and CEO; Bert Hunter, EVP and CIO; Brian Farnen, General Counsel and CLO

Date: April 17, 2020

Re: Financing for a Senior Secured Term Loan to Special Purpose Vehicle owned by Skyview Ventures LLC in an amount not to exceed $3.5M

Introduction – Update to Memorandum dated March 18, 2020

A version of this memorandum was submitted to the Board of Directors on March 18, 2020 and resolutions were passed by the Board at its meeting held on March 25, 2020 to approve a term loan facility in an amount not to exceed $2.3M. Since the resolutions were passed on March 25, Skyview Ventures LLC presented the Connecticut Green Bank with an opportunity to expand the transaction up to $3.5M on the same economic terms. This memorandum represents an update to the Board and a request for approval of the increased transaction size.

Investment Summary

This credit memorandum sets out the rationale for advancing a senior secured loan facility ("Term Loan") in an amount not to exceed $3.5M to a Special Purpose Vehicle ("SPV" or "Borrower") wholly owned by Skyview Ventures, LLC ("Skyview"). The proceeds of the Term Loan are being used to refinance a portion of Skyview's development capital in commercial solar assets in Connecticut. Once this portion of development capital is refinanced with the Term Loan, Skyview will be able to use the proceeds from the refinancing to develop additional commercial solar assets in Connecticut. A summary of terms is provided in Appendix A. The interest rate on the Term Loan is 5.50% over a 15 year term, with [redacted] ue on closing. A first priority lien on the SPV's assets, which comprise up to 26 operational commercial solar PPA projects (each "a Project" and, collectively, "Projects") with up to 25 municipal and one (1) commercial off-takers in Connecticut, will secure the Term Loan.[3] A sculpted amortization schedule ensures that the forecast debt service coverage ratio ("DSCR") is 1.30x throughout the term. The lender is CEFIA Holdings, LLC ("Holdings" or "Lender"), Connecticut Green Bank's ("Green Bank") commercial solar development subsidiary, and the borrower is a SPV owned by Skyview, a

[3] See schedule of Projects (Appendix F)

Connecticut solar developer founded in 2008 with over 130 commercial solar assets (over 10 MW capacity) under management.

By advancing a Term Loan that is secured by assets that are very familiar to Green Bank, which itself has 20 MW of commercial solar assets under management, Holdings is operating within an acceptable risk tolerance to access long term interest income, thereby contributing to the organization's wider financial sustainability goals. In addition, Green Bank is fulfilling its role of promoting clean energy deployment by addressing a gap in the market due to transaction costs associated with financing these 'smaller portfolios' as further described below.

Background

As part of Green Bank's commercial solar power purchase agreement ("PPA") investment program, the Green Bank Board of Directors approved $15 M funding in July 2019 for "financing one or more 3rd-party ownership platforms, in the form of sponsor equity and/or debt" and also gave approval to "sell solar PPA projects developed by Holdings to third parties". With that mandate, Holdings closed a transaction with Skyview in the fourth quarter of 2019 ("Q42019") involving the sale of 6 commercial solar PPA projects and a concurrent term loan secured by the sold assets. The $1.65 M term loan portion of the Q42019 transaction with Skyview was very similar to the investment being presented for approval by this memo: 5.50% interest rate, secured by a first priority lien on commercial solar assets, 15 year term, 1.35x DSCR. The Q42019 transaction established precedential terms, covenants, and documentation, all of which have reduced the transaction costs associated with this Term Loan.

Following the successful close of the Q42019 transaction, Skyview approached Green Bank to gauge interest in advancing a Term Loan, secured by up to 19 operational commercial solar PV assets with Connecticut municipality off-takers and the additional 7 Projects that soon will be placed in service.

Prior to approaching Green Bank, Skyview contacted private sector banks but discovered that the transaction costs associated with accessing debt across the size of the portfolio was challenging and proved too onerous. The smooth working relationship that Green Bank had established with Skyview, the indicative quality of the assets and cashflows contemplated as security for the Term Loan, and the use of Green Bank-preferred documentation were the determining factors as staff proceeded to conduct due diligence for the transaction.

Overview of Skyview Ventures LLC

[redacted]

[redacted]

Overview of Collateral

[redacted]

[redacted]

[redacted]

[redacted]

Ratepayer Payback

How much clean energy is being produced (i.e. kWh over the projects lifetime) from the project versus the dollars of ratepayer funds at risk?

The portfolio is expected to produced 37,970,000kWh of energy, over a 15 year period, and the Term Loan is up to $3.5M. The kWh / $ ratepayer funds at risk is forecast to be 10.8.

Capital Extended

How much of the ratepayer and other capital that Green Bank manages is being expended on the project?

The Term Loan will not exceed $3.5M.

Strategic Selection

This transaction falls within the parameters of a strategic selection, subject to Board approval, for the reasons outlined below.

- **Special Capabilities** – Skyview, the parent company of Borrower, has over a decade of experience in developing, owning, and operating commercial solar PV assets. Specifically, it has experience in the Connecticut market and, with its wholly owned development subsidiaries, is vertically integrated unlike its industry peers.
- **Uniqueness** – While the Term Loan is very similar to transactions previously entered into by Holdings, it differs because (a) the majority of the Projects that will secure the Term Loan are already operational, and (b) the Projects were not developed by Holdings itself;
- **Strategic Importance** – The Term Loan represents a continuation of a business relationship with a counterparty that Green Bank has successfully and smoothly transacted with in the past and is likely to transact with in future. For example, Green Bank continues to develop commercial solar PPA projects with underserved off-takers and Skyview has a track record of purchasing such projects from Green Bank and has expressed an interest in doing so in future. Further, by providing the Term Loan to Skyview, Green Bank is setting a precedent and defining a process for future similar transactions that can provide a source of investment income to support the long term sustainability of the organization;
- **Urgency and Timeliness** – Green Bank seeks to deploy capital in mission-driven transactions with appropriate levels of risk and return. This transaction meets this criteria and Skyview has expressed the need to close by April 30, 2020; and
- **Multiphase Project** - Successful execution of the Term Loan would represent a follow-on transaction from that which closed in Q42019, and will make use of the loan documentation previously agreed between parties. It is anticipated that Skyview will make further leveraged purchases of PPA projects that Holdings is developing in 2020.

Recommendation

In conclusion, based on the diligence of the proposed Term Loan transaction meeting Green Bank underwriting criteria and in light of the resolution of the Board at the meeting on March 25, 2020 to approve a loan facility not to exceed \$2.3M, Staff recommends approval of this updated transaction, with a loan facility not to exceed \$3.5M, by the Board of Directors.

Revised and Restated Resolutions

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

WHEREAS, based on diligence of Green Bank staff of the proposed senior secured loan facility ("Term Loan") in an amount not to exceed \$3.5M 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 in an amount not to exceed \$2.3M as a Strategic Selection and Award pursuant to the Green Bank Operating Procedures Section XII; and

WHEREAS, the Board passed resolutions at its meeting held on March 25, 2020 to approve the Term Loan transaction in an amount not to exceed \$2.3M 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.

NOW, therefore be it:

RESOLVED, that the Board hereby amends and restates its approval of the Term Loan transaction as described in the Project Qualification Memo submitted by the staff to the Board and dated April 17, 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 effect this Resolution.

Submitted by: Louise Della Pesca, Associate Director, Clean Energy Finance; Desiree Miller, Senior Manager, Clean Energy Finance; Fiona Stewart, Manager, Clean Energy Finance; Mariana Cardenas Trief, Principal, Monte Verde Consulting LLC.

Appendix 4: Original Term Sheet

[redacted]

[redacted]

Memo

To: Connecticut Green Bank Board of Directors

From: Matt Macunas (Associate Director of Transportation Initiatives)

CC: Bert Hunter (EVP and CIO)

Date: June 18, 2021

Re: PSA with Strategic Environmental Associates

Background & Purpose

This memo seeks approval from the Connecticut Green Bank ("Green Bank") Board of Directors for the extension of an existing professional services agreement ("PSA") with Strategic Environmental Associates ("SEA"). This consultancy has been instrumental to the Green Bank's pioneering work with certifying and monetizing carbon offset credits from electric vehicle ("EV") charging activities.

SEA is responsible for the development of the methodology that allows for the evaluation, measurement and verification of carbon avoidance from electric-powered transportation (mainly electric vehicles (EVs) and battery electric busses (BEBs)), as adopted in September 2018 by Verra, which administers the Verified Carbon Standard program – the leading carbon offsets certification program globally. The Green Bank, SEA and others[1] who provided seed funding toward methodology creation received in 2019 the Innovative Partnership Certificate from the U.S. Climate Leadership Conference.

Thereafter, the Green Bank – with SEA as co-developer – began the design and execution of an innovative carbon offsetting project structure. Through VCS, the Green Bank is the proponent for a project that aggregates GHG-reducing activities across geographic regions and EV charging technology sub-types, from multiple originators. The partners who originate these "enrolled" EV and BEB charger sets are diverse market participants – utilities, charger networks, manufacturers, and smartphone app developers.[2] The common thread is that they have a legally enforceable claim to the environmental attribute of the EV/BEB charging

[1] Electrify America; EVgo; Exelon; Carbon Neutral Cities Alliance; Siemens

[2] See "Program Partners" section later in this memorandum

transaction, and that they can produce data, by year and by state jurisdiction, showing the electricity used for driving.

The Green Bank and SEA work with these partners to acquaint them with process requirements; scope their strategy relative to this project; and conform their data to the project's standards. A key aspect of the project structure is the need for partners to assign to the Green Bank the rights to the environmental attributes of their EV charging transactions, so that the Green Bank can get their data certified into carbon offset credits, which is the first step toward monetization of the credits. (The Green Bank has negotiated with the enrollees to retain a portion of the funds from the monetized credits to offset Green Bank's cost to administer the program).[3]

SEA's existing PSA 5619 stipulates its scope of core activities, all pertaining to project implementation:

> "Support for continued implementation of activities related to the Green Bank's portion of plans conceived of originally under PSA 5239 and then through PSA 5491. This includes, but is not limited to, pioneering a test transaction for an aggregated 3rd party inventory of carbon offset credits generated from electric vehicle charger data, and the Green Bank's monetizing of those credits with a purchaser. Activity is expected to last throughout FY21, with the test transaction's final phases occurring toward the end of FY21. Several project activities requiring consultant support are:
>
> - Project development including facilitation of dialogue with potential client counterparties, and client onboarding and business case analysis.
> - Interaction with staff at the Verified Carbon Standard (VCS) regarding the application and interpretation of Consultant's methodology.
> - Supporting the process of working through a carbon credit validation and verification body, and subsequent certification of credits through the VCS secretariat, Verra."

This project constitutes a unique contribution the Green Bank brings to the clean transportation sector and to the international conversation on transport electrification. The activity is essentially industry-wide, rather than specific to Connecticut, although a number of current project partners do have EV charging stations in Connecticut. The project draws a larger frame of participation because 1) there is no marginal cost to enroll additional chargers into the project; 2) revenues per charger are relatively thin, making a better case for the enrollment of datasets with large numbers of present (or anticipated) EV chargers; and 3) ratepayer funds

[3] As a transaction instrument, carbon offsets are comparable to renewable energy credits ("RECs"), with the distinction that a REC is one MWh of electricity produced while an offset is one ton of carbon dioxide reduced or avoided.

are not being used to support project activities outside the state, rather, these out-of-state activities can (as noted above) provide fee revenue to the Green Bank.

This ultimately ratepayer-funded endeavor does involve electric sector activities with EV chargers; however it now also has greater statutory underpinning with the passage of HB-6441, An Act Concerning Climate Change Adaptation, which places offsets within the Green Bank's newly expanded purview of "environmental infrastructure."[4]

Requested Allocation

1. To support a continuation of SEA's existing scope of work, staff requests a not-to-exceed PSA amount of $160,000.

Strategic Selection

Green Bank is pursuing this arrangement and approval from the Board on the basis of a Strategic Selection. The proposed impact investment satisfies all criteria of the Strategic Selection and Award process (but note only 3 need to apply to be considered a strategic selection) of Green Bank operating procedures, namely: (1) special capabilities, (2) uniqueness, (3) strategic importance, (4) multiphase project; follow-on investment, and (5) urgency and timeliness:

(1) Special Capabilities
SEA has experience helping Fortune 500 companies pursue carbon-neutral aims for 20 years – back to the earliest such corporate targets. SEA organized and devised the creation of the first EM&V protocol that enables this project altogether. SEA has ongoing experience guiding clients through other carbon offsetting projects, including one that uses this same protocol, and is well acquainted with the offset broker community.

(2) Uniqueness
This project has earned acclaim as the first such model of aggregating third-party owned EV chargers (or EVs through telematics) for the purpose of transacting in

[4] HB-6441 Sec. 19 amends CGS Sec. 16-245n(a) to add alongside "clean energy" the ability to invest in "environmental infrastructure."

"Environmental infrastructure" means structures, facilities, systems, services and improvement projects related to (A) water, (B) waste and recycling, (C) climate adaptation and resiliency, (D) agriculture, (E) land conservation, (F) parks and recreation, and (G) environmental markets, including, but not limited to, carbon offsets and ecosystem services."

Where:
"'Carbon offsets' means any activity that compensates for the emission of carbon dioxide or other greenhouse gases by providing for an emission reduction elsewhere;" and
"'Ecosystem services' means benefits obtained from ecosystems, including, but not limited to, (A) provisioning services such as food and water, (B) regulating services such as regulation of floods, drought, land degradation and disease, and (C) supporting services such as soil formation and nutrient cycling; and

voluntary carbon markets. For being on the leading edge of this activity, the Green Bank has featured in multiple national EV market conferences and has featured in trade literature.

(3) Strategic Importance
As discussed above, this project is the first such endeavor that could fall firmly under the new "environmental infrastructure" purview (although, again, it might also be legitimated as an electric sector activity). This might provide valuable data on this area for future consideration, and also potentially notch an early "win" in this area that occurs on a timeline faster than other newly enabled environmental infrastructure investment activities which will require their own strategic process.

(4) Multiphase; Follow-on Investment
This PSA extension builds upon years of research and development investment from the Green Bank into this project's precursors.

(5) Urgency and Timeliness
There is a notable component of urgency to staff's request. The pilot certification first envisioned to begin June 2021 – and taking three months to complete – has been delayed by several months, and key workflow components need to occur this summer. However the current PSA with SEA lapses as of July 1. The delay in project tempo has been prompted largely from the need to amend all partner contracts to structure the project appropriately around VCS rulemaking.

Relative to targets for FY21 set in spring of 2020, staff expects the project to underperform. This is due in no small part to the effects that pandemic mitigation had on travel patterns, reducing EV charging activity industry-wide by an estimated 80% during the 2020 calendar year and beyond.

Conclusion & Recommendation

Staff recommend this PSA extension to the Board for approval.

Strategic Plan

Is the program proposed, consistent with the Board approved Comprehensive Plan and Budget for the fiscal year?

Yes – the Green Bank's Comprehensive Plan for Fiscal Year 2020 & Beyond sets an avoided GHG emissions target for carbon offsets associated with EVs. Section 6.3 of the Plan mentions the importance of supporting voluntary markets for transportation decarbonization.

Ratepayer Payback

How much clean energy is being produced (i.e. kWh over the projects lifetime) from the program versus the dollars of ratepayer funds at risk?

As a project that straddles both clean energy (i.e., alternative fuel vehicles and infrastructure) and also environmental infrastructure (i.e., carbon offsets), this is an edge case where typical metrics are inapplicable. EV chargers dispense electricity and do not produce or save electricity. However they do help facilitate GHG emissions savings from mobile sources through driving electric.

Terms and Conditions

What are the terms and conditions of ratepayer payback, if any?

Conditions of ratepayer payback are not discrete to any particular fiscal year's spend, but rather through the evolution of a product with scalability potential to create fee-based revenue to the Green Bank including from outside of Connecticut.

This startup and trial phase of this program line involves relatively heavy investment in the form of staff and consultant time. Staff believes that fees the Green Bank charges on transactions (i.e., 25% of value except on the earliest partners) will over time create net revenues as new partners enter, as existing partners enroll additional EV chargers, as utilization increases on enrolled chargers with EV market growth, and as the electric generation sector decarbonizes and allows each offset to be created from fewer kWh.

Capital Expended

How much of the ratepayer and other capital that Green Bank manages is being expended on the project?

This PSA extension represents a not-to-exceed amount of $160,000.

Risk

What is the maximum risk exposure of ratepayer funds for the program?

This PSA extension represents a not-to-exceed amount of $160,000.

Financial Statements

How is the program investment accounted for on the balance sheet and profit and loss statements?

When funds are received, it is through the sale to brokers of already-certified offsets:

$50,000 Debit: Cash [EV Offsets Revenue]

When funds are paid, contractually determined sums are remitted to partners who source EV charger projects whose data become offsets. This varies between 75% (generally) and 85% (for early partners) of proceeds from the sale, with the Green Bank holding back the remainder as its fee.

$40,000 Credit: Cash [EV Offsets Partner Earning]

If a partner chooses to take their share of certified offsets instead of their share of the revenues from their sale, then the Green Bank holds back an equivalent proportion of offsets that it may sell for itself.

Referral agreements exist whereby the Green Bank will share 15% of its portion of proceeds with the referral partner:

$1,500 Credit: Cash [EV Offsets Referral Payment]

Target Market

Who are the end-users of the engagement?

There are multiple end users involved:

- **Partner companies** – these project participants may either internalize the revenues from the sale of offsets, or retire the offsets for their own goals. They may also flow down the revenues to their customers or constituent components (e.g., a peer-to-peer charger sharing app that provides an incremental bill offset to a customer, or retires the offset and reports the savings to the customer).
- **Site hosts and EV drivers** - The promise of this project is to accelerate the deployment of more EV charging, and eventually this project aims to do so, benefitting site hosts and drivers making use of the chargers.
- **Offset purchasers** – Those acquiring the certified offsets will either be reselling them to their own corporate customers, or retiring them against their own goals (e.g., non-profit ACEEE has agreed to purchase a small number for its own carbon footprint).

Green Bank Role, Financial Assistance & Selection/Award Process

As described above.

Program Partners

External parties supporting the certification process are SCS Global, and Verra. Program partners for the first year's certification event – those sourcing offset projects - are expected to be:

- Amp Up
- Blink
- Dominion Energy
- EV Match
- EV Structure
- Exelon
- OpConnect
- OptiWatt

Risks and Mitigation Strategies

Key project risks include:

- **Regulatory** – As states or nations create clean fuel standards or transportation sector emissions caps, then the ability to mint offsets for the voluntary credit market would dry up (unless regulations are specifically written to allow for continued crediting). This same phenomenon that has always prevented voluntary crediting in California and Quebec now applies also to Oregon, and Washington is expected to adopt the same. The Transportation and Climate Initiative signatory states may eventually also curtail the ability to credit, by effectively assigning GHG emissions savings to the regulated fuel importer entities.
- **Financial** – The possibility exists that even as charger activity builds, the transactional costs plus staff and consulting costs will outweigh revenues – this is known to be the case in early years of this initiative.
- **Programmatic** – The success of the Green Bank's project structure is subject to the whims of Verified Carbon Standard and its rulemakings, and ultimately its approval of the project each year. For instance, staff was recently made aware that in order to produce nation-specific offsets, projects in different countries must be placed into their own projects, thus duplicating transactional costs. This might have an effect on several international partners staff has been in dialogue with.

This project plays out in a year-by-year process, with expected annual certification events. This allows for regular evaluation as a risk mitigation strategy, and the ability change course if unfavorable conditions arise. Contracts under draft are expected to allow termination for cause or for convenience, allowing a project to wind down and for the environmental attributes originally owned by partners but assigned to the Green Bank, to revert back to original ownership.

Resolutions

WHEREAS, the Connecticut Green Bank ("Green Bank") staff has submitted to the Green Bank Board of Directors (the "Board") a proposal to extend the professional services agreement with Strategic Environmental Associates ("SEA") in a not-to-exceed amount of $160,000 for program development purposes increase the effectiveness and likelihood of success for creating open market carbon offsets from electric vehicle ("EV") charging to support accelerated deployment of EV chargers;

WHEREAS, SEA satisfies all criteria of the Strategic Selection and Award process of Green Bank operating procedures, namely: (1) special capabilities, (2) uniqueness, (3) strategic selection, (4) multiphase, follow-on investment and (5) urgency and timeliness;

WHEREAS, this project has ingratiated the Green Bank into the international conversation on clean transportation, as a provider of valued, innovative solutions;

WHEREAS, Green Bank staff recommends that the Board approve a grant between the Green Bank and Sustainable CT, generally in accordance with memorandum summarizing this request to the Board dated June 18, 2021; and

NOW, therefore be it:

RESOLVED, that the Board approves Green Bank to extend the professional services agreement with SEA as a strategic selection;

RESOLVED, that the President, Chief Investment Officer and 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 personal services agreement 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 effect the above-mentioned legal instrument or instruments.

Submitted by: Matt Macunas, Legislative Liaison & Associate Director of Transportation Initiatives

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Memo

To: Connecticut Green Bank Board of Directors

From: Bert Hunter, EVP and CIO; Mariana Trief, Consultant, Clean Energy Finance; David Beech, Associate Manager, Clean Energy Finance

Cc: Bryan Garcia, President and CEO; Brian Farnen, General Counsel and CLO; Mackey Dykes, VP Financing Programs

Date: June 23, 2021

Re: Historic Cargill Falls Mill Redevelopment Project – Update & Proposed Investment Advisory

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General Update & Proposed Investment Summary

[redacted]

[redacted]

[redacted]

[redacted]

[redacted]

Appendix 1

[redacted]

Appendix 1 (continued)

[redacted]

[redacted]

Appendix **2**

The Lofts at Cargill Falls Mill

58 Pomfret Street, Suite 2200, Putnam, CT 06260

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[redacted]

HCFM Pictures - 2