



**BOARD OF DIRECTORS OF THE
CONNECTICUT GREEN BANK**
Special Meeting Minutes

Friday, January 21, 2022
9:00 a.m. – 11:00 a.m.

A special meeting of the Board of Directors of the **Connecticut Green Bank (the “Green Bank”)** was held on January 21, 2022.

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

Board Members Present: Jeffrey Beckham, Bettina Bronisz (for Sarah Sanders), Binu Chandy, Dominick Grant, Victoria Hackett, John Harrity, Adrienne Houël, Laura Hoydick, Matthew Ranelli, Lonnie Reed

Board Members Absent:, Thomas Flynn, , Brenda Watson

Staff Attending: David Beech, Shawne Cartelli, Mackey Dykes, Brian Farnen, Bryan Garcia, Sara Harari, Bert Hunter, Ed Kranich, Alysse Lembo-Buzzelli, Cheryl Lumpkin, Desiree Miller, Jane Murphy, Sara Pyne, Ariel Schneider, Eric Shrago, Dan Smith, Mariana Trief, Michael Yu

Others present: Joel Rinebold from the Connecticut Center of Advanced Technology and Connecticut Hydrogen FuelCell Coalition, Claire Sickinger

1. Call to Order

- Lonnie Reed called the meeting to order at 9:04 am.

2. Public Comments

- No public comments.

3. Consent Agenda

a. Meeting Minutes of December 17, 2021

Resolution #1

Motion to approve the meeting minutes of the Board of Directors for December 17, 2021.

b. FuelCell Energy Project

Resolution #2

WHEREAS, in accordance with (1) the statutory mandate of the Connecticut Green Bank (“Green Bank”) to foster the growth, development, and deployment of clean energy sources that serve end-use customers in the State of Connecticut, (2) the State’s Comprehensive Energy Strategy (“CES”) and Integrated Resources Plan (“IRP”), and (3) Green Bank’s Comprehensive Plan (the “Comprehensive Plan”) in reference to the CES and IRP, Green Bank continuously aims to develop financing tools to further drive private capital investment into clean energy projects;

WHEREAS, FuelCell Energy, Inc., of Danbury, Connecticut (“FCE”) has used previously committed funding (the “Bridgeport Loan”) from Green Bank to successfully develop a 15 megawatt fuel cell facility in Bridgeport, Connecticut (the “Bridgeport Project”), and FCE has operated and maintained the Bridgeport Project without material incident, is current on payments under the Bridgeport Loan;

WHEREAS, FCE has requested financing support from the Green Bank to develop a 7.4 megawatt fuel cell project in Groton, Connecticut located on the U.S. Navy submarine base and supported by a power purchase agreement (“PPA”) with the Connecticut Municipal Electric Energy Cooperative (“CMEEC”) (the “Navy Project”);

WHEREAS, staff has considered the merits of the Navy Project and the ability of FCE to construct, operate and maintain the facility, support the obligations under the Loan throughout its 20-year term, and as set forth in the due diligence memorandum (the “Board Memo”) dated December 18, 2020, recommended this support be in the form of a term loan not to exceed \$8,000,000, secured by all project assets, contracts and revenues as well as a pledge of revenues from an unencumbered project as explained in the Board Memo (the “Credit Facility”);

WHEREAS, on the basis of that recommendation, the Green Bank Board of Directors (“Board”) approved of the Credit Facility, in an amount not to exceed \$8,000,000 with the provision that the Credit Facility be executed no later than 315 days from the date of authorization by the Board (June 16, 2021), which was further extended by the Board in July 2021 to October 29, 2021, which was further extended by the Board in October 2021 to December 31, 2021, and which was further extended by the Board in December 2021 to January 31, 2022;

WHEREAS, Green Bank has further advised the Board that the Credit Facility is now expected to close within the next 60 days and to accommodate the additional time needed to execute the Credit Facility requests the permitted time to execute the credit facility be increased from not later than 409 days from the original date of authorization by the Board (January 31, 2022) to not later than 468 days from the date of authorization by the Board (i.e., to March 31, 2022);

NOW, therefore be it:

RESOLVED, that the Green Bank Board hereby approves the extension of time for the execution of the Credit Facility to not later than 468 days from the original date of authorization by the Board (i.e., not later than March 31, 2022); and

RESOLVED, that the President of the Green Bank and any other duly authorized officer is authorized to take appropriate actions to provide the Credit Facility to FCE (or a special purpose entity wholly-owned by FCE) in an amount not to exceed \$8,000,000 with terms and conditions consistent with the memorandum submitted to the Board dated December 18, 2020 (the "Memorandum"), and as he or she shall deem to be in the interests of the Green Bank and the ratepayers; 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 Term Loan and participation as set forth in the Memorandum.

Upon a motion made by Binu Chandy and seconded by John Harrity, the Board of Directors voted to approve the Consent Agenda which contains Resolutions 1-2. None opposed and Matt Ranelli abstained. Motion approved.

4. Committee Updates and Recommendations

a. Audit, Compliance, and Governance Committee

i. Auditor Recommendation

- Jane Murphy summarized the process and evaluations for the new audit firm proposals and the recommendation to select PKF O'Connor Davies. The ACG Committee recommended the proposed selection as well.

Resolution #3

RESOLVED, that the Green Bank Board of Directors hereby approves the Audit, Compliance and Governance Committee recommendation for PKF O'Connor Davies to perform professional audit services for the Connecticut Green Bank for the fiscal years 2022, 2023, and 2024.

Upon a motion made by John Harrity and seconded by Matt Ranelli, the Board of Directors voted to approve Resolution 3. None opposed or abstained. Motion approved unanimously.

b. Budget, Operations, and Compensation Committee

i. Proposed Revisions to FY22 Targets and Budget

- Eric Shrago reviewed the proposed revisions to the FY22 Targets and Budget which was also recommended by the BOC Committee. Incentive Programs will have an overall increase due to some RSIP projects which were previously excluded erroneously. Bryan Garcia commented that the battery storage program is a new market, so the target changes are reflective of the process to understand the market. Financing Programs have an overall decrease due to the forecasts around the SBEA program as well as some projects which are not expected to finish this fiscal year. Mackey Dykes

gave an update as to the changes in commercial project targets.

- Eric Shrago summarized the Revenue changes which includes a \$3.3 million revenue increase driven primarily by the RGGI Auctions. Operating Expenses are overall increasing by \$448,000 and Program Incentives and Grants are increasing by \$1.2 million which is primarily driven due to the award of the battery storage program by PURA. He reviewed the different changes in more detail.
- The three Strategic partner contracts that also need updates are due to the new inclusion of the battery storage program.
 - John Harranty asked if the coalition looking to raise or remove the solar cap in the legislative session were to be successful, how would that affect the budget. Bryan Garcia answered that the cap of 50 MW per year for 6 years established for non-residential stakeholders, though there was not one for residential customers. The concern about the removal or raising of the cap might also raise ratepayer costs, but that is to be discussed in legislative session. If it were to occur, more projects could be awarded tariffs however and so those would increase the Green Bank's opportunities to cover those. Mackey Dykes agreed and explained a bit more as to how it would affect larger projects.

Resolution #4

WHEREAS, the Budget, Operations, and Compensation (BOC) Committee, pursuant to Section 5.2.2 of the Bylaws of the Connecticut Green Bank's (Green Bank) has recommended the accompanying adjustments to Fiscal Year 2022 targets and budget to the Green Bank Board of Directors;

NOW, therefore be it:

RESOLVED, the Green Bank Board of Directors of the Connecticut Green Bank authorizes Green Bank staff to enter into new or amend existing professional services agreements (PSAs) with the following, contingent upon a competitive bid process having occurred in the last three (3) years (except Craftsman Technology Group):

- I. Craftsman Technology Group
- II. Guidehouse (f.k.a. Navigant)
- III. Stark Raving

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

RESOLVED, the Green Bank Board of Directors approves the fiscal year 2022 budget and target adjustments outlined in the accompanying memorandum.

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

5. **Finance Programs Updates and Recommendations**
 - a. **C-PACE Transaction – Southington**

- Mackey Dykes reviewed how the Green Bank interacts with C-PACE projects on a high level and then Alysse Lembo-Buzzelli summarized the proposed Southington project of \$1,382,419 for a 449.8 kW roof-mounted and carport solar PV system. The loan would be over a 25-year term with a 5% construction loan interest rate and a 5.95% set term loan interest rate. The loan-to-value ratio is standard to the Green Bank's underwriting criteria though the lien-to-value ratio is a bit higher than normal at 52.5%. There are exceptions which this project falls under to justify that lien-to-value ratio, and it has a good DSCR. Alysse Lembo-Buzzelli then explained the details of the project including key financial metrics and noted it will receive an Energy on the Line grant as it is on a manufacturer.
 - Matt Ranelli asked if commercial projects with environmental exposure are examined for compliance history as a risk factor. Alysse Lembo-Buzzelli answered that an environmental risk rating is performed on every project for property issues. Mackey Dykes added that in relation to regulatory compliance in related to a given company's operations, it is not something examined unless disclosed, such as in the financial records for fines paid. It could be done through reaching out to DEEP, but for this system there could be something developed and incorporated as part of the project application process. Lonnie Reed asked what the current contractual relationship is between a company and the Green Bank. Matt Ranelli said he doesn't believe there would be a risk for the Green Bank, but it may affect a given company's into becoming a non-performing asset via a Super Lien. Bert Hunter agreed that a Super Lien would be considered the dominant lien, but it is a valid point that it should be examined in the future. He noted there may be broad terms in the financial agreement, and Brian Farnen added that there are terms which extend into environmental compliance in the financial documents. Bert Hunter stated more work could be done to ensure environmental compliance, however. Victoria Hackett offered her assistance in working with DEEP.
 - Matt Ranelli clarified that his concerns were not in relation to this particular company or project but was a general concern that came to mind.

Resolution #5

WHEREAS, pursuant to Conn. Gen. Stat. Section 16a-40g (the "Authorizing Statute"), 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 Green Bank Board of Directors (the "Board") has approved a \$40,000,000 C-PACE construction and term loan program;

WHEREAS, the Green Bank seeks to provide a **\$1,382,419** construction and (potentially) term loan under the C-PACE program to The F&F Concrete Corporation, the building owner of 110 West Main St, Southington, Connecticut (the "Loan"), to finance the construction of specified clean energy measures in line with the State's Comprehensive Energy Strategy and the Green Bank's Strategic Plan; and

WHEREAS, the Green Bank may also provide a short-term unsecured loan (the "Feasibility Study Loan") from a portion of the Loan amount, to finance the feasibility study or energy audit required by the C-PACE authorizing statute, and such Feasibility Study Loan would

become part of the Loan and be repaid to the Green Bank upon the execution of the Loan documents.

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 the Loan and, if applicable, a Feasibility Study Loan in an amount not to be greater than one hundred ten percent of the Loan amount with terms and conditions consistent with the memorandum submitted to the Committee dated January 18, 2022, and as he or she shall deem to be in the interests of the Green Bank and the ratepayers no later than 120 days from the date of authorization by the Board of Directors;

RESOLVED, that before executing the Loan, the President of the Green Bank and any other duly authorized officer of the Green Bank shall receive confirmation that the C-PACE transaction meets the statutory obligations of the Authorizing Statute, including but not limited to the savings to investment ratio and lender consent requirements; and

RESOLVED, that the proper the 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.

Upon a motion made by Matt Ranelli and seconded by Adrienne Houël, the Board of Directors voted to approve Resolution 5. None opposed and Victoria Hackett abstained. Motion approved unanimously.

b. C-PACE for New Construction Program Update

- Alysse Lembo-Buzzelli reviewed the C-PACE New Construction pilot history and requirements for participation. Mackey Dykes clarified that previously, projects were done on buildings with history so determining a baseline to measures savings against was easier, but this is the pilot for determining project loans for entirely new buildings. Alysse Lembo-Buzzelli stated there were 6 closed projects totaling just over \$27 million through three different lenders and three different property types.
- For amendments and new additions to the guidelines, the idea was to give all external partners a simplified way to access C-PACE New Construction Financing while continuing to adhere to the public policy requirements. Alysse Lembo-Buzzelli reviewed the proposed changes which include determining the eligible amount that can be financed, adding an option for eligible multifamily properties to demonstrate energy performance, adding an option to access an additional percentage of the financing by incorporating bonus technologies that further clean energy and other Green Bank goals, and adding an option for all-electric net zero projects to access a higher percentage of financing.
- The initial stakeholder feedback has been proactive and clear about their desires for process simplification, more financing, and to explore other building performance standards.
- Mackey Dykes commented that the C-PACE market is growing incredible fast, with lenders looking for large-scale projects. There is a strong focus on new construction, though there is tension in capital providers wants to deploy the greatest amount of capital possible versus the state receiving the greatest energy impact from an

investment.

- Laura Hoydick asked what other building performance standards could be used, such as Energy Star. Mackey Dykes answered that Energy Star is one and the other is Lead Certification. More research will be done into those options, though in many cases the code for building construction is already in align with Energy Star, so piggybacking off of existing standards would be the ideal solution.
- Laura Hoydick asked which other capital providers are involved and Mackey Dykes answered that it is mostly other C-PACE administrators by learning from their experiences.
- Victoria Hackett commented that DEEP is very focused on whole-building energy retrofits to incorporate as many beneficial technologies as possible, and as well much work is being done on building standards, so coordinating with the Green Bank and C-PACE could be beneficial.
- Adrienne Houël asked if the large builders feel about the opportunities that C-PACE provides. Mackey Dykes answered that the builders contacted like the pilot tool but they tend to do the types of buildings which would have already met the requirements, so the challenge is to get feedback on projects and developers that would not have normally sought it out. Alysse Lembo-Buzzelli added that using HERS, if added into the program, should open the opportunity for more developers.
- Matt Ranelli commented that the balance should be made in favor of energy efficiency, and so contacting and working with DEEP first should be done before a vote on this Resolution is made. As well, perhaps doing outreach with OPM and other high performance building developers. As well, he agreed with looking at add-on technologies more thoroughly.

Jeffrey Beckham left the meeting at 10:12 am.

Voting on Resolution 6, which was included in the board packet and related to the approval of the C-PACE Program guidelines was postponed until after the comment period.

6. Incentive Programs Updates and Recommendations

a. RSIP and RSIP-E Closeout

- Sara Pyne summarized RSIP and RSIP-E's status, which are both currently closed to new applications. RSIP is expected to reach capacity in the next few weeks. As the RSIP program reaches capacity, the sixth SHREC Tranche will be created. in total SHREC of just over 300 MW.

b. RGM Replacement Status

- Sara Pyne reviewed the RGM upgrade progress, which is currently about 22% completed. Approval was given by NEPOOL GIS to use the Solar PV Production Data Estimation formula while the upgrades complete after the 3G shutdown.

c. Energy Storage Solutions Launch

- Ed Kranich summarized the Energy Storage Solutions progress to date which just recently launched. As of January 20, 2022, 20 applications were received and 8 were approved. All applicants are expected to be approved soon. The contractors' customer enrollment platform was launched on January 14, 2022. So far 1 residential and 11 commercial and industrial applications have been received.
- In the next 3-6 months, the customer enrollment portal will be fully completed, and much work is planned to meet with contractors, stakeholders, and others to discuss expectations, make outreach campaigns, finalize the financing process, and develop related programs. This is all in the perspective of supporting underdeveloped and grid-edge customers as well.
 - Adrienne Houël asked how the target to reach LMI communities will be reached specifically. Bryan Garcia answered that there are single-owner LMI families that qualify for solar, but also reaching single-family renters. The tariff program may enable some of that. For affordable housing, work has been done with DEEP to amend the tariff policy to allow affordable housing to participate. There is also a strong focus on targeting LMI and underserved customers in the marketing strategy.

7. Investment Updates and Recommendations
a. Canton Hydro COVID Extension

- Mariana Trief summarized the background of the Canton Hydro project and stated the reason for another requested extension to the final completion date due to travel restrictions associated with COVID-19, change in subcontractor, and FERC associated requirements. Despite the delays, most of the construction was completed and only the crest gates are left to complete. However, the cold weather and high has impeded that construction. Borrower has asked for an extension to install crest gages once the weather has warmed and river flow is lower. The turbine itself is operational and producing energy. As well, once the final construction is complete, the Green Bank and other stakeholders will have a ribbon cutting, signage, and media coverage.

Resolution #7

WHEREAS, Canton Hydro, LLC (“Developer”) was awarded exclusivity by the Town of Canton to redevelop a 1 MW hydroelectric facility located at the Upper Collinsville Dam (“Dam”), on the Farmington River, in Canton, Connecticut (the “Project”) and the Connecticut Green Bank (“Green Bank”) Board approved approve subordinate debt financing in an amount to exceed \$1,200,000 (the “Loan”) along with an unfunded guaranty, in an amount not to exceed \$500,000 to support the Project;

WHEREAS, Developer has requested to extend the Project’s completion of construction date until October 31, 2022;

NOW, therefore be it:

RESOLVED, that the Green Bank Board of Directors hereby authorize staff to execute amend the Loan agreement materially based on the terms and conditions set forth in this board memo dated January 14, 2022 to extend the Project’s construction completion date to October 31, 2022;

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.

Upon a motion made by Matt Ranelli and seconded by Bettina Bronisz, the Board of Directors voted to approve Resolution 7. None opposed or abstained. Motion approved unanimously.

b. Green Liberty Notes Update

- David Beech summarized the history of the Green Liberty Notes done through Raise Green. There was a total investment of \$185,900 through 114 investors, including 63 from Connecticut and 59 which were below \$1000. The Green Liberty Notes was featured in a Bond Buyer article and received high praise.
 - Bettina Bronisz asked if more Green Liberty Notes offerings will be made and what the future schedule may be. Bert Hunter answered that the Board approved quarterly issuances, so minimum of 2-years and up to \$2 million. All the bonds are a 1-year maturity. The notes are not currently rated through one is being sought through Lamont Financial.
 - Lonnie Reed asked if, from a marketing perspective, any physical certificates are being issued in tandem with the notes. Eric Shrago stated there is something being developed that was based on the Green Liberty Bonds.

8. Infrastructure Investment and Jobs Act Opportunity: Clean Hydrogen Hub

- Joel Rinebold summarized the Infrastructure Investment and Jobs Act provisions and targets. He stated Connecticut would be a good applicant for a hydrogen hub under the renewable energy banner given a number of key focal statistics about the state. He reviewed Connecticut's clean energy market development and how the different markets interact with each other as well as the value chain for having a hydrogen hub. Joel Rinebold reviewed the proposed actions that would result from a hydrogen hub which include advancing domestic research, expand markets for power and motive applications, refine integrity management for blending in natural gas, and create opportunities for skilled training and job creation, among others.
- Joel Rinebold summarized the drivers for hydrogen in comparison to offshore wind energy, which though offshore wind provides a lot of energy it does so only about 40% of the time, and so hydrogen is another viable option. He stated Connecticut could become a major user and exporter of hydrogen-based energy because of its research manufacturing market. There is large opportunity for deployment of energy to hundreds or even thousands of sites resulting in a potential impact of \$600 million revenue, about 600 supply chain companies, over 2,800 in direct, indirect, and induced jobs, and about \$300 million in labor income to be gained for Connecticut specifically. The goal could be to make Connecticut a major hub for this energy and hydrogen hubs. He reviewed some of the key metrics of a hydrogen hub project as well as potential strengths, weaknesses, opportunities, and threats.
- Joel Rinebold reviewed the proposed next steps to gain support to pursue a hydrogen hub, though he does not believe Connecticut can do it alone. Working with Massachusetts, Rhode Island, and maybe even New York to coordinate would better

secure the application for a hydrogen hub over other regions such as Texas and California.

- Lonnie Reed asked if any environmental groups are on board with a hydrogen hub, given the difficulty of such a proposal. Joel Rinebold answered engagement hasn't been made yet but is needed, especially to combat the misunderstanding of how hydrogen can be produced because resources other than fossil fuels can in fact be used to make green hydrogen.
- John Harrity suggested that the Connecticut Roundtable on Climate and Jobs would be a good group to work with to develop a coalition among labor and environmental groups. Joel Rinebold responded that he doesn't have the resources alone, and so those network connections are greatly appreciated.
- Victoria Hackett commented that DEEP will be exploring the potential for hydrogen in Connecticut for various reasons but said there are a lot of questions on use-cases, wind incorporation possibilities, and other technical matters. Joel Rinebold thanked her for the invitation to present more information at future meetings and work with others to iron out the details as to the process and system.

9. Adjourn

Upon a motion made by Laura Hoydick and seconded by Adrienne Houël, the Board of Directors Meeting adjourned at 11:15 am.

Respectfully submitted,

Lonnie Reed, Chairperson