



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

Friday, January 22, 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 January 22, 2021.

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

Board Members Present: Eric Brown, Binu Chandy, Thomas Flynn, John Harrity, Michael Li, Matthew Ranelli, Lonnie Reed, Brenda Watson

Board Members Absent: Steve Meier, Kevin Walsh

Staff Attending: Sergio Carrillo, Shawne Cartelli, Catherine Duncan, Mackey Dykes, Brian Farnen, Bryan Garcia, Bert Hunter, Matt Macunas, Jane Murphy, Selya Price, Cheryl Samuels, Eric Shrago, Ariel Schneider, Marianna Trief, Nicholas Zuba, Mike Yu

Others present: Bob Maddox, Giulia Bambara

1. Call to Order

- Lonnie Reed called the meeting to order at 9:05 am.

2. Public Comments

- Bob Maddox thanked the Board for its hard work and brought up the unsolicited auto-calls about solar energy that he has been receiving. He stated that he received about 12 calls unsolicited and followed up to find out that a company called Momentum Solar out of Stamford, CT was the source. He later identified another company, US Solar, from a call he received more recently. He wanted to bring it up that because incentives are provided by the Green Bank and to ask that contractors involved have a signed marketing agreement and ethical marketing practices in place that follow the Green Bank’s policies. This would help reduce consumer frustration. Brian Farnen asked for the names of the companies as monthly meetings with the CT Department of Consumer Protection are held and the issue can be discussed with them to address in a coordinated fashion. Bob Maddox expressed his concern that the companies are not consulting the Do Not Call lists in place considering the amount of calls he received.
 - Eric Brown later commented that his participation in this Board meeting was interrupted from an automated solar energy call.

3. Consent Agenda
a. Meeting Minutes of December 18, 2020

Resolution #1

Motion to approve the meeting minutes of the Board of Directors for December 18, 2020.

Upon a motion made by John Harrity and seconded by Michael Li, the Board of Directors voted to approve Resolution 1. None opposed and Brenda Watson abstained. Motion approved.

4. Committee Updates and Recommendations
a. Budget, Operations, and Compensation Committee
i. Proposed Revisions to FY 2021 Targets and Budget

- Eric Shrago summarized the revisions to the targets and budget for FY 2021. For Incentives, the total number of projects will remain the same, but the overall capital investment and megawatt deployment is increasing with both ranges having a better understanding of what to expect for the rest of the year. For Financing programs, the number of projects and total capital are decreasing slightly though the total megawatt range is increasing.
- For the Budget, overall revenues are increasing by \$1.1 million and total expenses are increasing by \$154,000. The revenues are due to higher RGGI auction prices and utility remittances while the expenses are seeing an increase in administration expenses due to the increased project volume from RSIP and consulting expenses related to the RSIP close out. There are other expense changes related to the office move to Hartford, but the increases and decreases end up nearly balancing out. Compensation and Benefits are running under budget due to unrealized hiring and not operationalizing the Merit increases, which will be evaluated to realize at a later time.
- Lonnie Reed asked who does the inspections for RSIP projects. Eric Shrago stated there are town inspections due to permitting, but there are other inspections especially for new installers to verify projects are being completed to proper specification. Lonnie Reed noted that previously towns expressed concerns with inspections overwhelming them. Bryan Garcia also commented that some of that may have been mitigated through increased training that the Green Bank has provided through various programs.
- Thomas Flynn asked about the battery storage program and if those are expected to have expenses less than presented earlier in the year. Eric Shrago responded that his best estimation is that if the expenses for the battery storage program are less, then it's possible the money will be spent elsewhere to support a different program, but he is not sure at this time, nor can he guarantee that the expenses will be proportional to the timeline currently. Bryan Garcia also stated that in the Comprehensive Plan there was a proposed 50-megawatt battery storage program, but with the recent straw proposal from PURA noting the Green Bank as a co-lead administrator with utilities of the program but at 580 megawatts, there is much to reevaluate and take into consideration.
- Thomas Flynn commented that he is trying to understand the Green Bank's financial situation given the decrease in projects but increase in financial investment as well as the delay in other budget expenses; he is asking for the feeling of these changes and

how things are looking throughout the company. Eric Shrago responded that the Green Bank is doing better than was originally feared, so overall the feeling is positive. It could of course be better, but despite the economic situation from COVID-19, the Green Bank has plenty of opportunity to keep growing securely. He acknowledges the compensation and hiring issues do need to be addressed though and will be as soon as possible. Thomas Flynn and Eric Shrago continued to discuss the interpretation of the data in terms of investment per project, the future of RSIP, and the Green Bank's financial standing overall. Mackey Dykes also contributed some insight related to the impact of the new SolarMAP program on the targets and budget.

Resolution #2

WHEREAS, staff have reviewed progress to targets made year to date and are more able to make forecasts on our current operating environment;

WHEREAS, Budget, Operations & Compensation Committee has reviewed these updates and the members of the committee are supportive of them;

RESOLVED, Connecticut Green Bank Board of Directors approve the fiscal year 2021 budget and target adjustments outlined in the accompanying memorandum and in Attachment A. They also direct staff to extend or amend professional service agreements with the strategic partners in accordance with the terms mentioned in the accompanying memorandum.

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

ii. Proposed Revisions to Comprehensive Plan – Green Bonds US

- Bryan Garcia summarized the revisions to the Comprehensive Plan, which is now called Green Bonds US. There is a push for an emphasis on race and income-based disparity in Connecticut communities and addressing it through an explicit message of caring for each other and building a more unified community through Justice, Equity, Diversity, and Inclusion (JEDI). These points include changes to the vision statement, definitions, program goals, and targets. Other proposed revisions include changes to the Incentive and Financing Programs to include investment and benefit goals for vulnerable communities, inclusion of Green Liberty Bonds, and other various clean-ups. Bryan Garcia continue to clarify the definition of “vulnerable communities” and explained why it is important to the changes to the Comprehensive Plan.
- John Harrity commented that he greatly appreciates the changes being included as similar messages are being focused on in other companies. Brenda Watson seconded the sentiment to highlight the most vulnerable communities in need. Lonnie Reed noted that going forward, the Green Bank may position itself better to receive federal funding by more clearly articulating the community-based goals.
- Eric Brown asked if the new language aligns with the current statutory language. Bryan Garcia responded that is in alignment, and that it specifically is structured as a catch-all for whoever is most in need or disproportionately impacted by climate change, which currently are communities of color, but is flexible enough to change as needed.

Resolution #3

RESOLVED, the Connecticut Green Bank Board of Directors approve the proposed revisions to the Comprehensive Plan – Green Bonds US outlined in Attachment B;

RESOLVED, the staff work to further develop the Evaluation Framework by identifying metrics and methodologies for measuring impacts on equity, including, but not limited to income and race, from investments in and deployment of clean energy in vulnerable communities.

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

b. Overview of Asset Management

- Eric Shrago reviewed the changes to the Green Bank’s Asset Management with the hiring of Karl Johnson and Sara Pyne’s transition to a new position as well as the building of new tools and processes to be able to better track the information. He summarized the processes in place for general oversight, financial performance, compliance, returns, reporting, and more. Bryan Garcia also noted that the Asset Management has become very important since the sweeps, which will allow the Green Bank to better look ahead and plan for future changes. He thanked Eric Shrago for his hard work in building and managing this part of the Green Bank.
- John Harrity noted that it is not only important for the Green Bank’s own self-sufficiency, but the Connecticut also Green Bank is serving as a model for others and sharing its process helps those other organizations have a better starting point which helps everyone in the long run.

5. Investment Updates and Recommendations

a. Historic Cargill Falls – Update and Recommendations

- Lonnie Reed noted the Cargill Falls update will be discussed at the end of the meeting as some of it includes proprietary information which will be presented and discussed within Executive Session.

Resolution #4

WHEREAS, pursuant to Section 157 of Public Act No. 12-2 of the June 12, 2012 Special Session of the Connecticut General Assembly and as amended (the “Act”), 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 previously approved a construction and term loan, secured by a C-PACE benefit assessment, not-to-exceed amount of \$6,200,000 along with a \$300,000 increase (the “Approved Loan Amount”) to Historic Cargill Falls Mill, LLC and Putnam Green Power LLC (collectively, the “Borrower”), the property owner of 52 and 58 Pomfret Street, Putnam, Connecticut, to finance the construction of specified clean energy and energy conservation measures (the “Project”) in line with the State’s Comprehensive Energy Strategy and the Green Bank’s Strategic Plan;

WHEREAS, the Project includes numerous energy conservation measures that align with the goals and priorities of the Green Bank’s multifamily housing program;

WHEREAS, the Green Bank now seeks approval to increase the Approved Loan Amount to the Borrower to provide up to \$600,000 in additional funding (the “Loan Amendment”) for the mill redevelopment effort, inclusive of finalizing the existing Project work.

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 Amendment in a total amount not to exceed the sum of (i) the existing C-PACE benefit assessment, plus any and all interest accrued, plus (ii) \$300,000, with terms and conditions consistent with the memorandum submitted to the Board dated January 17, 2020, plus (iii) \$600,000, with the terms and conditions consistent with the memorandum submitted to the board dated January 19, 2021 and as he or she shall deem to be in the interests of the Green Bank and the ratepayers no later than 180 days from January 22, 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 instrument.

Upon a motion made by John Harrity and seconded by Binu Chandy, the Board of Directors voted to approve Resolution 4. None opposed or abstained. Motion approved unanimously.

b. Fuel Cell Energy Groton Project – Update

- Bert Hunter noted that the project is coming along well. He highlighted the Green Bank’s subordinated position and explained the further revised structure of the loan. The Green Bank’s position is unaffected by the changes though the senior lenders are in the midst of their due diligence to the changes that affect them related to the rate and term of their loans.

6. Financing Programs Updates and Recommendations

a. C-PACE Program Guideline Amendment

- Mackey Dykes introduced Catherine Duncan to present the change to the billing system. Catherine Duncan explained it is an operational change, that at the start of the C-PACE program the implementation of Municipal Billing would make the program more attractive but as the program has grown, it has become more difficult. The proposed change is to shift the billing from the municipalities to the Green Bank. Currently the municipalities handle the billing themselves which leads to a huge variety of billing programs, processes, and presentation to customers. On the payment side, the money transferred through several hands before making it to the lien holders. Depending on the town, the processing time is also different, even up to months after an on-time payment was made. Overall, the situation leads to frustrations from both customers and investors as to who has paid what and when. The proposed change is to Administrator Billing which would be controlled through the Green Bank to create uniform billing and timing,

payments received directly and timely, and eliminating the information vacuum as well as reducing costs related to municipal support of the current process. This should save the Green Bank about \$45,000 to \$50,000 each year as well as allow it to build better relationships with stakeholders, municipalities, and reduce the workload for everyone involved. If approved, the system would aim to be implemented for the July 2021 billing cycle.

- Matthew Ranelli asked:
 - For clarification of the statutory language and whether billing can go through someone other than the municipalities.
 - To make sure the Green Bank has reviewed the benefit assessment liens for inclusion of any language indicating billing must originate with the municipalities.
 - If consideration has been made to any impact on the collection rates as customers change from the tax collector to a private biller.
 - If any weakness or challenge in ability to foreclose on liens due to billing changes have been identified.
 - Catherine Duncan explained that outside counsel did review everything and that the Green Bank is within the ability to make the change within the current language. Brian Farnen contributed that after receiving counsel, there is no need for a statutory change to make this change in billing practice. The payment cycles will be maintained, however. He agreed that any language within the benefit assessment liens will be examined to be sure nothing needs to be adjusted, or if it does. Catherine Duncan stated the BALs have been reviewed and none of those documents refer to billing language. It is only present within the Municipal Agreements.
- Mackey Dykes added that as to the impact on collection rate, a decrease is a concern, but capital providers were contacted for feedback as to the proposed change, and they did not seem worried. Any worries that were expressed were outweighed greatly by the benefits that would be realized by changing the process. He added that there are other states with C-PACE programs that do not go through the municipalities for billing, and when comparing those states that do versus those that did not, the result was that there is no noticeable difference in the collection rates. He stated the change will be done in close coordination with capital providers as well to address any concerns that may arise.
- Thomas Flynn noted that the shift may be confusing to customers and advised to pay close attention to the transition plan to avoid potential double billing or other issues. He also suggested to include language which clarifies to customers of the shift and to work closely with the new billing provider to assure the details are in place from the start to make things as smooth as possible. Catherine Duncan commented that many of those points are being addressed, and that discussion for the provider's contract is estimated to begin in March. The Green Bank may even be in a position to receive a reduction to the contract cost if customers are able to deposit directly. As for double billing, Catherine Duncan responded that from the Municipalities there should be a release which will alert the Tax Collectors of the changes. There will be much communication with customers however as there are concerns that they may believe the change to be fraudulent, and the Green Bank wants to make this change as transparent as possible to avoid that potential problem.
- Lonnie Reed asked for a report-back after any public comments about this change are received. Brian Farnen agreed that an update should be made to the Board on what is learned from the public comment process.

Resolution #5

WHEREAS, Conn. Gen. Stat. Section 16a-40g (the “Authorizing Statute”) authorizes the Commercial Property Assessed Clean Energy Program (“C-PACE”) and designates the Connecticut Green Bank (“Green Bank”) as the state-wide administrator of the program; and

WHEREAS, the Authorizing Statute charges Green Bank to develop program guidelines governing the terms and conditions under which state and third-party financing may be made available to C-PACE.

NOW, therefore be it:

RESOLVED, the Green Bank Board of Directors (the “Board”) approves the updated C-PACE program guidelines (the “Program Guidelines”), substantially in the form of attached to that certain memo to the Board dated January 15, 2021. The Program Guidelines shall then go through a thirty-day public comment period in accordance with Conn. Gen. Stat. Section 1-120 et seq.

RESOLVED, If, after the expiration of public comment period, Green Bank staff considers that any substantive changes are needed to the Program Guidelines as currently drafted, then Green Bank staff will seek an updated approval from the Board. If no substantive changes result from the public comment process, then the final form of the Program Guidelines, as may be edited by Green Bank staff, shall be deemed approved by the Board and Green Bank staff will proceed with implementation of such Program Guidelines.

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 Program Guidelines.

Upon a motion made by Brenda Watson and seconded by Thomas Flynn, the Board of Directors voted to approve Resolution 5. None opposed or abstained. Motion approved unanimously.

b. COVID-19 Restructuring Recommendation(s)
i. C-PACE Project (Meriden)

- Nicholas Zuba summarized the background of the Meriden Enterprise Center project, which is a two-phase project involving energy efficiency and solar improvements. The request is for an extension of deferments of C-PACE repayment from six months to one year and to extend the repayment term from 22 years to 23 years due to economic hardship from COVID-19. The Meriden Enterprise Center has offered their tenants rental relief during the pandemic in an attempt to continue to promote overall economic growth while trying to reduce their own operating costs, but the effort from those actions is still being felt. The repayment would be \$43,000 for July 2021 and October 2021 payments, but then increase to \$65,000 per period in January 2022.
- Thomas Flynn asked about clarification for the reason for the financial distress, as this may be felt by other projects of similar nature. He asked how this second restructuring may be a signal to other property owners who may seek a second restructuring themselves. Nicholas Zuba answered that originally 8-10 property owners have asked for deferrals, but only the Meriden Enterprise Center has asked for a second. There have not been any new requests and though it may happen, currently it does not seem

likely. If it does, there is a diligence process in place that helps guide the assessment of the requests. Mackey Dykes also noted that there is another Executive Order related to the relief of property taxes which has helped deter restructure requests. Thomas Flynn thanked Nicholas Zuba and Mackey Dykes, and advised putting together standard packages for more upfront qualifications as to when restructurings are viable for customers to better understand if they qualify or not, though commented that he hopes his concern for the situation is overstated. Matthew Ranelli also expressed his concern over a possible snowball effect between property owners.

- Matthew Ranelli asked is this restructuring is within the realm that other lenders would do. Mackey Dykes agreed that it is, it is not beyond a reasonable scope, since in the long run the Green Bank will receive more money due to interest over an extended period. More market trends were discussed by the group.

Resolution #6

WHEREAS, pursuant to Section 16a-40g of the Connecticut General Statutes (as amended, the “Act”), the Connecticut Green Bank (“Green Bank”) established a commercial sustainable energy program for Connecticut, known as Commercial Property Assessed Clean Energy (“C-PACE”);

WHEREAS, pursuant to the Act and its Bylaws, Green Bank entered into that certain Financing Agreements dated May 24th, 2013 and May 4th, 2015 (as amended, the “Loan”) with 290 Pratt Street LLC, the building owners of 290 Pratt Street, Meriden CT, to finance the construction of certain clean energy measures through C-PACE;

WHEREAS, on April 24, 2020, the Green Bank Board of Directors (“Board”) approved the Loan Loss Decision Framework and Process, set forth in that certain memo to the Board dated April 24, 2020, which established the process of dealing with COVID-related restructurings for assets on Green Bank’s balance sheet; and

WHEREAS, Green Bank staff seeks Board approval to restructure the Loan as described in that certain memorandum submitted to the Board dated January 19, 2021 (the “Memo”).

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 any amendment, restatement or modification of the Loan, with terms and conditions consistent with the Memo, 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 this Board meeting; 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.

Upon a motion made by John Harrity and seconded by Matthew Ranelli, the Board of Directors voted to approve Resolution 6. None opposed or abstained. Motion approved unanimously.

ii. Solar PPA Project (Hartford)

- Bryan Garcia noted that this item is Resolved.

7. Incentive Programs Updates and Recommendations

a. Docket No. 17-12-03REG03 – Battery Storage (Update)

- Sergio Carrillo gave an update to the battery storage docket after reviewing the timeline until current. On January 5, 2021, PURA issued a straw proposal for the program design and comments are due by January 26, 2021. The current target for a Draft Decision is March 22, 2021.
- PURA's straw proposal has proposed a program 10-times the size originally proposed by the Green Bank. The compensation structure includes an upfront incentive administered by the Green Bank and a performance-based incentive administered by the EDC. Discussion is also in the works for who will decide where and when the energy stored in the batteries will be dispatched. The Green Bank will be responsible for promoting the program, and PURA notes that the Green Bank is named the leader in transparency within its proposal. Other program considerations being examined are LMI and vulnerable communities.
- Sergio Carrillo also gave an update to the Renewable Energy Tariffs, that many of the recommendations the Green Bank made were supported by the draft decision of PURA. He highlighted the Green Bank's role shifting from more of a program administrator to a more supportive and educational role.

8. Other Business

- Matt Macunas gave a brief update to PURA Docket 17-12-03(RE04) for electric vehicle charging, as well as transit and school bus financing, the Charge Up CT promotional campaign, and the Carbon Offset Credit program.

Upon a motion made by John Harrity and seconded by Thomas Flynn, the Board of Directors Meeting entered Executive Session at 10:59 am. The Board of Directors Meeting returned from Executive Session at 11:17 am.

9. Adjourn

Upon a motion made by Matthew Ranelli and seconded by John Harrity, the Board of Directors Meeting adjourned at 11:19 am.

Respectfully submitted,

Lonnie Reed, Chairperson