



**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.

Resolution #3

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 Harranty 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 Harranty and seconded by Binu Chandy, the Board of Directors Meeting adjourned at 10:43 am.

Respectfully submitted,

Lonnie Reed, Chairperson