



**DEPLOYMENT COMMITTEE OF THE
CONNECTICUT GREEN BANK**
Regular Meeting Minutes

Wednesday, November 18, 2020
2:00 – 3:00 p.m.

A regular meeting of the Deployment Committee of the **Connecticut Green Bank (the “Green Bank”)** was held on November 18, 2020.

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

Committee Members Present: Binu Chandy (DECD), Michael Li (DEEP), Matt Ranelli

Committee Members Absent: Steven Meier

Staff Attending: Sergio Carrillo, Mackey Dykes, Brian Farnen, Bryan Garcia, Jane Murphy, Selya Price, Cheryl Samuels, Ariel Schneider, Eric Shrago, Nicholas Zuba

Others present: Giulia Bambara

1. Call to Order

- Bryan Garcia called the meeting to order at 2:04 pm.

2. Public Comments

- No public comments.

3. Consent Agenda

Resolution #1

Motion to approve the minutes of the Deployment Committee meeting for May 27, 2020.

Upon a motion made by Binu Chandy and seconded by Matthew Ranelli, the Deployment Committee voted to approve Resolution 1. None opposed or abstained. Motion unanimously approved.

4. Financing Program Recommendations and Updates

a. Mystic Aquarium C-PACE Project (Revision)

- Mackey Dykes summarized that the Mystic Aquarium would like to add another Solar PV system to the project after the Board had approved the \$1,285,872 loan term. The Green Bank needs another approval due to the loan increase to \$1,458,419.

- Michael Li asked if the financial situation was comfortable. Mackey Dykes responded affirmatively. There was additional projections done based on possible stressful scenarios and the financial team was happy with the results.
- Michael Li asked about the marketing conditions discussed at the previous Board Meeting as an incentive for the lower interest rate. Mackey Dykes answered that he spoke with the CEO of the Mystic Aquarium, who was on board with the idea. The Green Bank Marketing team has been working on the proposal and the marketing plan will be included in the financing agreement.

Resolution #2

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 Green Bank Board of Directors (the "Board") has approved a \$40,000,000 C-PACE construction and term loan program;

WHEREAS, the Green Bank Deployment Committee in September of 2019 approved a **\$1,285,872** construction and term loan under the C-PACE program to Sea Research Foundation, Inc., the building owner of 55 Coogan Blvd, Mystic, Connecticut, 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 Board of Directors in October of 2020 reauthorized the C-PACE financing for a **\$1,259,862** construction and term loan under the C-PACE program at a concessional rate to Sea Research Foundation, Inc., the building owner of 55 Coogan Blvd, Mystic, 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 as more fully explained in a memorandum submitted to the Board dated October 16, 2020 (the "Memorandum"); and

WHEREAS, the Aquarium seeks to include additional solar PV which would increase the C-PACE financing to **\$1,458,419**.

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 in an amount not to be greater than one hundred ten percent of the Loan amount with terms and conditions consistent with the Memorandum, 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 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 Act, 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 Matthew Ranelli and seconded by Binu Chandy, the Deployment Committee voted to approve Resolution 2. None opposed or abstained. Motion approved unanimously.

5. Incentive Program Recommendations and Updates

a. RSIP-E Step 16 and 17 Update

- Sergio Carrillo gave an update to the RSIP Extension program (RSIP-E). The RECs generated will be known as REC-Es.
- The Green Bank met with the utilities Eversource and United Illuminating who were not interested in a long-term transaction. Eversource and UI suggested reaching out to creditworthy Load Serving Entities (LSEs) or Brokers for a short-term transaction alternative. The Green Bank received two quotes from the three LSEs contacted, the third did not respond. Both proposals include a fixed price, which has volume requirements and penalties for not fulfilling those volumes, or a unit-contingent price, which is more flexible based on volume though it is at a lower price. Overall, the prices are much higher than the \$20 average price per REC over 15 years the Green Bank estimates will be needed to cost recover the incentives provided through the RSIP-E Program, and thus it was decided to go with a unit-contingent plan. The Green Bank estimates there will be at least 75,000 RECs available to sell.
 - LSE #2 expressed their interest in the project and is offering the same price for both a fixed basis and unit-contingent basis transaction.
 - Matthew Ranelli asked if the buyer would be required to buy the RECs offered, and Sergio Carrillo answered they would be up to the amount within the contract. So, if the contract was for 70,000 RECs and the Green Bank generated 80,000 RECs, then the buyer is not obligated to purchase the 10,000 remaining.
 - Binu Chandy asked who would then buy the remaining RECs. Sergio Carrillo said they could be sold to the LSE, but not within the contract, or may be sold in the market at the current price at sale. Sergio Carrillo doesn't expect REC prices to be higher than what is being offered. However, the risk may be if the market is oversaturated, the RECs could sell for a low price or not at all. Matthew Ranelli noted that issue would be present within a fixed price plan regardless.
- Sergio Carrillo stated the Green Bank is currently engaged in contract negotiations with LSE #2 for a unit-contingent transaction and is expected to complete negotiations within 10 days.
 - Michael Li asked if the creditworthiness of the two LSEs is about equal. Sergio Carrillo stated no, as LSE #2 is very large and financially stable, and LSE #1 is less stable and though large, not as large as LSE #2.
 - Matthew Ranelli asked if there were other LSEs within the market who may be worth investigating in the future. Sergio Carrillo stated yes, there are dozens of LSEs and of that group, a small handful are large and the most worth pursuing.
 - Matthew Ranelli stated his concern as to whether an RFP is required for this contract, to adhere to auditing requirements. Sergio Carrillo stated that the Green Bank will also be reaching out to brokers to be sure there are at least 4 quotes total and is in communication with 2 brokers currently. The brokers do not offer purchase prices as far out as 2023 and 2024 however, though official quotes will be received as part of the due diligence for this project.

6. Adjourn

Upon a motion made by Matthew Ranelli and seconded by Michael Li, the Deployment Committee Meeting adjourned at 2:31 pm.

Respectfully submitted,

Michael Li, Chairperson