CONNECTICUT GREEN BANK℠

Board of Directors

Meeting Date

July 24, 2020

845 Brook Street, Rocky Hill, CT 06067
T 860.563.0015
ctgreenbank.com

CONNECTICUT
GREEN BANK

July 17, 2020

Dear Connecticut Green Bank Board of Directors:

We have our first meeting of FY 2021 of the Board of Directors scheduled on **Friday, July 24, 2020 from 9:00-11:00 a.m.**

Please take note that this will be an online meeting only! Given the need to continue to maintain "social distancing" in the face of COVID-19, we are holding this meeting online only.

We have a light agenda, including the following:

- **Consent Agenda** – approval of meeting minutes for June 26, 2020, performance to targets for Incentive Programs and Financing Programs for FY 2020, governance compliance reports for board and committee meetings and ethics for FY 2020, and report outs for PSA approvals over $75,000, staff approvals of transactions under $500,000 and no more in aggregate than $1,000,000, and staff approvals of restructurings and write-offs under $100,000 and no more in aggregate than $500,000.

- **Incentive Programs Update** – an FY 2020 update and looking ahead at FY 2021.

- **Financing Programs Update** – an FY 2020 update and looking ahead at FY 2021.

- **Investment Updates and Recommendations** – on the following:

    1. **C-PACE Guidelines** – proposed revisions to the C-PACE guidelines to continue to improve the program. Several of the key documents will be ready to be distributed prior to the close of business on Wednesday, June 24th.

- **Investment Recommendations** – recommendations on the following:

    1. **Open RFP Framework** – proposed criteria for Open RFP Framework;

    2. **Green Liberty Bonds** – update on the bond issuance;

    3. **USDA Loan** – filing of loan application under the USDA RUS RESP; and

    4. **SHREC Warehouse** – an update and extension.

- **Other Business** – if there is time, updates on any other business outstanding.

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

Until then, continue to be safe, be well, and enjoy the upcoming weekend!

Sincerely,

Bryan Garcia
President and CEO

AGENDA

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

Friday, July 24, 2020
9:00-11:00 a.m.

Dial (571) 317-3122
Access Code: 115-322-589

Staff Invited: 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. Incentive Programs Updates and Recommendations – 30 minutes
    a. FY 2020 Report-Out – Incentive Programs
5. Financing Programs Updates and Recommendations – 30 minutes
    a. FY 2020 Report Out – Financing Programs
6. Investment Updates and Recommendations – 45 minutes
    a. Open RFP Framework
    b. Green Liberty Bonds
    c. USDA Loan
    d. SHREC Warehouse
7. Other Business – 5 minutes
8. Adjourn

Join the meeting online at https://global.gotomeeting.com/join/205746277

Or call in using your telephone:
Dial (312) 757-3121

Access Code: 205-746-277

Next Regular Meeting: Friday, October 23, 2020 from 9:00-11:00 a.m.
Connecticut Green Bank, 845 Brook Street, Rocky Hill, CT

RESOLUTIONS

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

Friday, July 24, 2020
9:00-11:00 a.m.

Dial (571) 317-3122
Access Code: 115-322-589

Staff Invited: 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 June 26, 2020.

Resolution #2

WHEREAS, in July of 2011, the Connecticut General Assembly passed Public Act 11-80 (the Act), “AN ACT CONCERNING THE ESTABLISHMENT OF THE DEPARTMENT OF ENERGY AND ENVIRONMENTAL PROTECTION AND PLANNING FOR CONNECTICUT’S ENERGY FUTURE,” which created the Connecticut Green Bank (the “Green Bank”) to develop programs to finance and otherwise support clean energy investment per the definition of clean energy in Connecticut General Statutes Section 16-245n(a);

WHEREAS, the Act directs the Green Bank to develop a comprehensive plan to foster the growth, development and commercialization of clean energy sources, related enterprises and stimulate demand clean energy and deployment of clean energy sources that serve end use customers in this state;

WHEREAS, the Board of Directors of the Connecticut Green Bank approved a Comprehensive Plan for FY 2020 including approving annual budgets and targets for FY 2020.

NOW, therefore be it:

RESOLVED, that Board has reviewed and approved the Program Performance towards Targets for FY 2020 memos dated July 24, 2020, which provide an overview of the performance of the Incentive Programs and Financing Programs with respect to their FY 2020 targets.

Resolution #3

WHEREAS, in July of 2011, the Connecticut General Assembly passed Public Act 11-80 (the Act), "AN ACT CONCERNING THE ESTABLISHMENT OF THE DEPARTMENT OF ENERGY AND ENVIRONMENTAL PROTECTION AND PLANNING FOR CONNECTICUT'S ENERGY FUTURE," which created the Connecticut Green Bank (the "Green Bank") and vests the power in a Board of Directors comprised of eleven voting and one non-voting member; and

WHEREAS, the structure of the Board of Directors is governed by the bylaws of the Connecticut Green Bank, including, but not limited to, its powers, meetings, committees, and other matters.

NOW, therefore be it:

RESOLVED, that Board has reviewed and approved the Overview of Compliance Reporting and the Board of Directors and Committees for FY 2020 memo dated July 24, 2020 prepared by staff, which provides a summary report of the FY 2020 governance of the Board of Directors and its Committees of the Connecticut Green Bank.

4. Incentive Programs Updates and Recommendations – 30 minutes

    a. FY 2020 Report-Out – Incentive Programs

5. Financing Programs Updates and Recommendations – 30 minutes

    a. FY 2020 Report Out – Financing Programs

6. Investment Updates and Recommendations – 45 minutes

    a. Open RFP Framework

Resolution #4

WHEREAS, the Green Bank Board of Directors (the "Board") and the President and CEO support alternatives for developers and capital providers to gain access to Green Bank resources while affording staff the ability to consider additional investment opportunities;

WHEREAS, the Green Bank President and CEO proposed the introduction of an open and ongoing "Request for Proposals" program to create pathways to access Green Bank support;

WHEREAS, staff has diligenced the concept for an open Request for Proposals program (the "Open RFP Program") with other green banks, namely the New York Green Bank and Australia's Clean Energy Finance Corporation, which demonstrated the success and utility of an open and ongoing solicitation program for project proposals;

WHEREAS, the Board approved the Open RFP at a meeting of the Board held December 20, 2019 and approve related amendments to the Green Bank's Operating Procedures at a meeting held January 24, 2020, which Operating Procedures allows for an open competitive process of selection and award with established criteria to encourage the investment and deployment of clean energy sources in Connecticut, and that such award will not be considered a strategic selection and the additional requirements for a strategic selection shall not be required; and

WHEREAS, Green Bank staff recommends that the Board approve the Open RFP with established criteria as explained in a memorandum to the Board dated July 17, 2020.

NOW, therefore be it:

RESOLVED, that the Board approves the Green Bank Open RFP Program with established criteria as explained in a memorandum to the Board dated July 17, 2020; and

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 establishment and operation of the Open RFP Program.

b. Green Liberty Bonds
c. USDA Loan

Resolution #5

WHEREAS, consistent with its Comprehensive Plans, the Connecticut Green Bank has been seeking opportunities over the past five (5) years to access low-cost and long-term federal funding from the United States Department of Agriculture ("USDA"), United States Department of Energy ("DOE"), and other agencies to support its mission;

WHEREAS, on April 2, 2020, the Rural Utilities Service ("RUS") of the USDA issued within the Federal Register (Vol. 85, No. 64), an "Announcement of Funding Availability, Loan Application Procedures, and Deadlines for the Rural Energy Savings Program ("RESP")";

WHEREAS, on April 29, 2020, the American Green Bank Consortium, a membership organization for green banks, informed the Connecticut Green Bank of the RESP, and provided technical assistance resources to the Connecticut Green Bank through the Environmental and Energy Study Institute;

WHEREAS, on May 14, 2020, the Connecticut Green Bank filed a Letter of Intent ("LOI") with the RUS for a RESP Loan, including an overview of the organization, proposed program descriptions consistent with its Comprehensive Plan, evaluation, measurement, and verification framework, balance sheet, eligible Connecticut towns, and performance measures and indicators; and

WHEREAS, on July 1, the USDA notified the Connecticut Green Bank that it had received and reviewed its LOI, and invited it to proceed with a full application for a $10 million RESP Loan.

NOW, therefore be it:

RESOLVED, that the Board of Directors of the Connecticut Green Bank, pursuant to the information provided by the Staff in a memo dated July 24, 2020, has determined that the request for funding from the RESP is consistent with the Comprehensive Plan of the Connecticut Green Bank; and

RESOLVED, that the Board of Directors approves of the Staff to submit any and all necessary information for a complete RESP Loan Application consistent with the process outlined by the RUS staff of the USDA no later than September 28, 2020; and

RESOLVED, that the Board of Directors authorizes and approves the establishment of the energy efficiency programs set forth in the LOI to the RUS as set forth in Appendix B attached to these resolutions as well as the addition of the Rolling Open RFP Program approved by the Board at its the December 20, 2019 meeting, all to be set up by the Green Bank with RESP Loan funds to provide financing to qualified consumers so that they can implement durable cost-effective energy efficiency and clean energy measures.

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 RESP Loan 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.

d. SHREC Warehouse

<u>Resolution #6</u>

All of the members of the Board of Directors (the "**Board**") of the Connecticut Green Bank, a quasi-governmental agency of the State of Connecticut (the "**Green Bank**"), which is the sole member of SHREC Warehouse 1 LLC, Connecticut limited liability company (the "**Company**"), hereby consent to and adopt the following resolutions for and on behalf of the Green Bank and, in the Green Bank's capacity as the sole member of the Company, for and on behalf of the Company:

WHEREAS, on July 31, 2019, the Company entered into a Credit Agreement (the "**Credit Agreement**") with Webster Bank, National Association ("**Webster**"), as Administrative Agent (in such capacity, as "**Agent**") and as a lender and Liberty Bank, as Lead Arranger and as a lender (Webster and Liberty Bank, in their capacities as lenders, are referenced to herein collectively as, "**Webster-Liberty**"), whereby Webster-Liberty made available to the Company a Fourteen Million and 00/100 Dollar ($14,000,000.00) secured revolving line of credit ("**Loan**") for the purpose of financing the Tranche 3-2019 (as defined in the Credit Agreement) Solar Home Renewable Energy Credit program ("**Tranche 3-2019 SHRECs**"); and

WHEREAS, to induce Webster-Liberty to make the Loan to the Company under the Credit Agreement, Green Bank guaranteed the Loan pursuant to the Guaranty Agreement dated as of July 31, 2019 made by Green Bank in favor of Agent (the "**Guaranty**"); and

WHEREAS, the Company and the Green Bank have requested that Webster-Liberty and Agent modify the Loan and the terms of the Credit Agreement pursuant to that certain First Amendment to Credit Agreement and Other Loan Documents (the "**Amendment to Credit Agreement**"), in order to, among other things, (1) remove the Tranche 3-2019 SHRECs as collateral for the Loan, (2) secure the Loan with the Tranche 4-2020 SHRECs as collateral, (3) extend the term of the Loan for a period of one (1) year and (4) reduce the amount of the Loan from Fourteen Million and 00/100 Dollars ($14,000,000.00) to Ten Million and 00/100 Dollars ($10,000,000.00) (with an option to (expand the facility with the approval by the Webster-Liberty and Agent of up to Fourteen Million and 00/100 Dollars ($14,000,000.00)); and

WHEREAS, a true, correct and complete copy of the Amendment to Credit Agreement is attached hereto as Exhibit A; and

WHEREAS, in connection with the modification to the Loan, the Company and Green Bank, as applicable, shall also enter into those certain documents listed on Exhibit B attached hereto; and

WHEREAS, Green Bank will continue to guarantee the Company's obligations under the Loan under the Credit Agreement as amended by the Amendment to Credit Agreement, pursuant to the Guaranty;

WHEREAS, along with a general repayment obligation by the Company, Agent and/or Webster-Liberty are secured by, and the Company and the Green Bank are authorized to secure the Loan and the Guaranty by, among other things, granting to Agent and/or Webster-Liberty (i) a first priority security interest in all assets of the Company, (ii) a collateral assignment of and security interest in all of the Company's and the Green Bank's right, title and interest in the Tranche 4-2020 SHRECs (as defined in the Amendment to Credit Agreement) Solar Home Renewable Energy Credit program ("**Tranche 4-2020 SHRECs**") and all rights and obligations relating thereunder under those certain Master Purchase Agreements for the Purchase and Sale of Solar Home Renewable Energy Credits by and between the Green Bank and each of The Connecticut Light & Power Company d/b/a Eversource Energy and The United Illuminating Company each dated February 7, 2017, each as amended by those certain First Amendments, dated July 30, 2018 and by those certain Second Amendments dated April 1, 2020 (as amended, and collectively, the "**MPA's**"), which collateral assignment and security interest shall include any and all rights to payment of money under the MPA's with respect to Tranche 4-2020 and those other attributes and rights associated with the Tranche 4-2020 SHRECs, (iii) a collateral assignment of all of the right, title and interest in that certain Sale and Contribution Agreement (Tranche 4) by and between Green Bank and the Company, dated as of the closing date of the modification of the Loan including without limitation, any security interest created by the Sale and Contribution Agreement, and (iv) a security interest in the MPA Collection Account, the Webster Interest Reserve Account and the Liberty Interest Reserve Account (the security interests listed in (i)-(iv) hereof, together, the "**SHREC Collateral**"); and

WHEREAS, Green Bank staff recommends that the Board approve the proposed renewal and extension of the Loan, generally in accordance with the terms of the summary term sheet presented to the Board on July 24, 2020.

NOW, therefore be it:

RESOLVED, that the Green Bank hereby authorizes, ratifies and approves the Loan, as modified, from Liberty-Webster to the Company pursuant to (i) the memorandum to the Board dated July 24, 2020, inclusive of the summary of terms referred to therein and (ii) the terms of the Amendment to Credit Agreement and the other Loan Documents (as defined in the Amendment to Credit Agreement, including all of the documents listed on Exhibit B hereto); and be it further

RESOLVED, that each of the Company and the Green Bank be and it hereby is, and at the time it entered into the Loan and/or the Guaranty was, authorized to secure the Loan and the Guaranty by, among other things, granting to Agent and/or Webster-Liberty a first priority security interest in and to its property, including, without limitation the SHREC Collateral; and be it further

RESOLVED, that the Board hereby authorizes, directs, ratifies and approves the Company's entering into the Amendment to Credit Agreement and all documents listed on Exhibit B to which it is a party and of each other contract or instrument to be executed and delivered by the Company in connection with the transactions contemplated by these resolutions (collectively, the "**Modification Documents**"); and be it further

RESOLVED, that the Board hereby authorizes, directs, ratifies and approves the Green Bank's entering into the Amendment to Credit Agreement and all documents listed on Exhibit B to which it is a party and of each other contract or instrument to be executed and delivered by the Green Bank in connection with the transactions contemplated by these resolutions (collectively, the "**Guaranty Documents**"); and be it further

RESOLVED, that the Board hereby authorizes, directs, ratifies and approves (i) the Green Bank's execution, delivery and performance of the Guaranty Documents (including the Amendment to Credit Agreement) and all of the Green Bank's obligations under the Guaranty Documents and (ii) the Company's execution, delivery and performance of the Modification Documents (including the Amendment to Credit Agreement) and all of the Company's obligations under the Modification Documents (including the Amendment to Credit Agreement); and be it further

RESOLVED, that the actions of Bryan Garcia in his capacity as the President and Chief Executive Officer of Green Bank ("**Garcia**"), Roberto Hunter in his capacity as the Chief Investment Officer of Green Bank ("**Hunter**") and Brian Farnen in his capacity as General Counsel and Chief Legal Officer of Green Bank ("**Farnen**"; and together with Garcia and Hunter, each an "**Authorized Signatory**"), are hereby authorized, empowered, ratified and approved with regard to the negotiation, finalization, execution and delivery, on behalf of Green Bank and the Company, of the Guaranty Documents, the Amendment to Credit Agreement and the Modification Documents and any other agreements that they deemed necessary and appropriate to carry out the foregoing objectives of Green Bank and/or the Company, and any other agreements, contracts, legal instruments or documents as they deemed necessary or appropriate and in the interests of Green Bank and/or the Company in order to carry out the intent and accomplish the purpose of the foregoing resolutions are hereby authorized, ratified and approved; and be it further

RESOLVED, that each Authorized Signatory be, hereby is, acting singly, and at the time of the execution of the Guaranty Documents, the Amendment to Credit Agreement and the Modification Documents is, authorized, empowered and directed, for and on behalf of the Green Bank and the Company (in the Green Bank's capacity as the sole member of the Company), to execute and deliver the Guaranty Documents, the Amendment to Credit Agreement, the Modification Documents and any agreements, instruments and/or certificates related to the modification of the Loan as such Authorized Signatory shall deem necessary or appropriate and in the interests of Green Bank and/or the Company in order to carry out the intent and accomplish the purpose of the foregoing resolutions; and be it further

RESOLVED, that any other actions taken by any Authorized Signatory are hereby approved and ratified to the extent that such Authorized Signatory or Authorized Signatories have deemed such actions necessary, appropriate and desirable to effect the foregoing resolutions.

7. Other Business – 5 minutes

8. Adjourn

Join the meeting online at https://global.gotomeeting.com/join/205746277

Or call in using your telephone:
Dial (312) 757-3121
Access Code: 205-746-277

Next Regular Meeting: Friday, October 23, 2020 from 9:00-11:00 a.m.
Connecticut Green Bank, 845 Brook Street, Rocky Hill, CT

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

July 24, 2020

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, #2, and #3

1. **Meeting Minutes** – approve meeting minutes of June 26, 2020
2. **Performance to Targets Memos** – progress in terms of FY 2020 progress to targets for Incentive Programs and Financing Programs
3. **Governance Compliance Reporting** – board and committee meeting and other ethics compliance reporting items for FY 2020

- **Green Bank Impact Report** – overall impact progress
- **Requests for Approvals of PSA's Over $75,000** – FY 2020 report out on compliance with Operating Procedures
- **Transactions Under $500,000 and No More In Aggregate than $1,000,000** – staff approved transactions per Comp Plan and Budget
- **Restructurings and Write-Offs Under $100,000 and No More in Aggregate than $500,000** – staff approved restructurings per COVID

Board of Directors

Agenda Item #4

Incentive Programs Updates and Recommendations

Incentive Programs

FY 2020 Update

	Projects			Capital Deployed			Capacity (MW)		
Product/ Program	Closed	Target	% to Target	Closed ($ MM)	Target ($ MM)	% to Target	Closed	Target	% to Target
RSIP	7,363	7,059	104%	$218.5	$214.2	102%	61.5	60.0	103%
Smart-E	737	540	136%	$10.0	$7.2	139%	0.9	0.5	180%
Solar for All	625	615	102%	$15.7	$17.2	91%	3.9	4.2	93%
Total	7,992	7,545	106%	$223.8	$220.0	102%	61.5	60.0	103%

- Incentive Program targets for all programs, **RSIP, Smart-E and Solar for All**, were exceeded for # of projects, as well as capital deployed and MW capacity (except Solar for All).

RSIP

Key Updates from FY20

- **Exceeded all targets –** projects (104%), capital deployed (102%) and MW capacity (103%)
- **COVID-19 –** Strong volume through mid-March FY20 and some recovery in June allowed program to exceed target despite pandemic shutdowns. FY20 volume comparable to FY19, the highest volume since FY12. The residential solar industry adapted sales and installation practices, and municipalities began adapting permitting and inspection practices.
- **Overall RSIP milestones** - 332 MW or 41,570 projects approved since FY12 (95% of 350 MW policy target), over 297 MW or 37,343 projects completed (85% of target). Total investment of $1.25 billion.
- **Policy developments: Value of DER** – Docket 19-06-29 - DEEP/PURA Value of DER study, pursuant to PA 19-35, to be completed July 2020. **Battery storage** – Docket 17-12-03RE03 - Preparing proposal for incentive program to deploy residential battery storage with solar PV, with support from Guidehouse, due July 31, 2020. **RSIP extension** – Green Bank proposing 100 MW extension (to update target to 450 MW) to policymakers to support industry recovery and bridge gap to tariff scheduled to begin in 2022.

Smart-E Loan

Key Updates from FY20

- **Exceeded all targets -** closed loans (136%), capital deployed (139%) and MW capacity (180%)
- **Launched NGEN -** the "National Green Energy Network," a web platform for project management
- **Health and Safety Measures –** reclassified asbestos and mold remediation as standalone measures that can be financed up to $25,000 to address health and safety barriers to making deeper energy improvements
- **Smart-E Lenders and PPP Loans -** Smart-E lenders were key partners in helping clean energy contractors access PPP loans
- **COVID-19 -** had varying impacts on Smart-E performance. <u>Volume:</u> lower in March and April but beginning to rebound in May and June (vs. 2019), all buoyed by steady HVAC project submissions. <u>Loan performance:</u> minimal degradation to date, <1% deferrals.
- **2.99% Special Offer –** the launch of a special financing offer for heat pumps, battery storage and electrical vehicle charging stations was delayed from April 1st to July 1st in order to support the re-opening of CT's clean energy economy

Solar for All with PosiGen

Key Updates from FY20

- **Met project target -** closed loans (101%), capital deployed (90%) and MW capacity (90%)
- **New system sizes-** 3.7 kW as fourth system size to capture smaller project homes and enables lease pairing to create additional size combinations
- **COVID-19 response-** successful transition to remote sales and operations bolstered sales numbers to avoid staff furloughs.
  - Volume: maintaining or exceeding sales targets since March, including highest sales month in June with 160 approved sales; closed project volume varies significantly month to month
  - Loan performance: delinquencies maintained program threshold <2% for 60+ days

- **Other LMI Initiatives–**
  - **DOE "LMI Solar Strategies" Grant** supports adoption in LMI households and communities of color
  - **DOE "Scaling LMI Solar Financing Models" Grant** accelerates national LMI adoption through CGB's solar and energy efficiency deployment and financing model, in partnership with IPC

Board of Directors

Agenda Item #5

Financing Programs Updates and Recommendations

Financing Programs

FY 2020 C-PACE Program Update

Projects Closed (FY20 Target)	Projects Closed (FY20 Actual)	Capital Deployed (FY20 Target)	Capital Deployed (FY20 Actual)	Clean Energy Deployed (FY20 Target)	Clean Energy Deployed (FY20 Actual)
56 projects	45 projects	$25,000,000	$27,502,780	7.0 MW	6.1 MW

Key Observations:

- **Strong First Half Helped Program Nearly Meet All Targets** - C-PACE was on its way to meeting all of its targets with a strong first half of FY20. This is seen by the fact that the program was able to meet one of its targets (Capital Deployed) and close to meeting its targets for two other metrics (Projects Closed and Clean Energy Deployed).

- **COVID-19** – The COVID-19 pandemic stunted the progress made during the first half of FY20, resulting in a major slowdown and cessation of several projects slated to close in the second half of FY20.

Financing Programs
FY 2020 C-PACE Program Lessons

- **Anticipate Everything** - Though an existential threat like the COVID-19 pandemic was hard to anticipate, we should recognize that threats like these could become more prevalent in the future. Developing plans today during this pandemic and economic recession can help better position the program to ward off the effects future existential challenges can have on the C-PACE Program's ability to meet its fiscal year goals.

- **Open Market** – Connecticut's open market platform continued to attract capital providers to Connecticut, adding six new capital providers in FY20 and the most added in a single fiscal year. Although the addition of new capital providers remains a positive development for the program, it shouldn't be assumed that it will translate into an influx of new projects right away. New capital providers signaled they were joining the program to be prepared for future project opportunities, but not immediate plans to develop new projects.

Financing Programs

FY 2020 Commercial Solar PPA Program Update

	Projects Closed (FY20 Target)	Projects Closed (FY20 Actual)	Capital Deployed (FY20 Target)	Capital Deployed (FY20 Actual)	Clean Energy Deployed (FY20 Target)	Clean Energy Deployed (FY20 Actual)
Commercial Solar PPA	18	3	$23.4 M	$1.4 M	10.6 MW	0.4 MW
C-PACE secured PPA	15	3	$4.5 M	$1.4 M	2.0 MW	0.4 MW

Key Observations:

- **Changes in CT market and CGB's role** – FY20 has seen a shift in both the commercial solar PPA market in CT (less 'low hanging fruit', more private sector project developers), and CGB's role within it. Our focus has moved toward active development of projects, requiring more up-front and hands-on work and following much longer timelines (e.g. state and muni projects).

- **Commercial solar debt deployment** – CGB continued to deploy capital in the commercial solar market in FY20 by arranging $5.7 M of secured debt facilities with private sector developers.

Financing Programs

FY 2020 Commercial Solar PPA Program Update

- **Asset management:** efforts in FY20 yielded comparative year on year improvements of 7% production across the portfolio of CGB-owned assets. This remains an area where consistent staff focus and resources are required: with a diverse portfolio of 19.5 MW assets under management, swift action is needed to address equipment issues.
- **ITC safe harbor:** the annual step-down period for the investment tax credit has a material effect on the economics of commercial solar PPA projects. A key lesson learned by CGB during the attempt to safe harbor the 2019 30% tax credit was the need for a taxable entity to sign PPA and Engineering, Procurement and Construction contracts in the year in which CGB intends to safe harbor the tax credit.
- **Leveraging experience from state solar development:** The development role CGB has taken with state projects has been successful when applied to municipalities. Through the SolarMAP program, CGB is able to unlock small to medium size projects in municipalities that faced too many barriers in getting them to market themselves.

Financing Programs

FY 2020 Multifamily Housing

	Projects Closed (FY20 Target)	Projects Closed (FY20 Actual)	Capital Deployed (FY20 Target)	Capital Deployed (FY20 Actual)	Clean Energy Deployed (FY20 Target)	Clean Energy Deployed (FY20 Actual)
Multifamily Pre-Dev	2	4	$140,000	$998,036	-	-
Multifamily H&S	2	-	$110,000	_	_	_
Multifamily Term	8	14	$1,328,000	$8,092,414	0.2MW	2.0MW

MFH # of Units	`
Affordable	1,139
Market Rate	114
Total	**1,253**

Key Observations:

- **Steady (and significant) progress continues against heavy trade winds…** Despite challenges in the sector, since inception in 2014, we've touched about 4.2% of all multifamily units in CT that serve low- and moderate-income residents (approx. 7,800 units of 183,800 LMI multifamily units).

Financing Programs

FY 2020 Multifamily Housing

CONNECTICUT GREEN BANK

- **LMI coops and condos have become an important sector for CGB** – This is a destressed and deeply underserved sector in CT. Through our loan programs, TA and partnerships, we are facilitating energy improvements and preserving this critical affordable housing resource.

- **COVID-19 has slowed the Multifamily Program** – Owners and managers are stretched thin and there is real uncertainty about rental incomes and financial stability. That said, we continue to see some pipeline activity. We are strategically marketing the benefits of solar PPA's and the importance of moving quickly with incentives sunsetting.

- **We continue with our long-term approach to the market** – whereby the team continues its approach of providing significant technical assistance to customers and partners in response to the complexity and limitations of this sector and long lead times from inquiry to funding (often several years).

Board of Directors

Agenda Item #6a

Investment Recommendations

Open RFP Framework

Open RFP Program
Approved (January 2020)

- Program will proposals for Green Bank investment on an open and rolling basis, as received
- January 24, 2020 resolutions:

RESOLVED, that the Board approves Green Bank to establish the Open RFP Program as explained in a memorandum to the Board dated December 17, 2019;

RESOLVED, that the Board directs the Green Bank staff to publicize revisions to the Green Bank's Operating Procedures, as submitted to the Board for its meeting held on January 24, 2020, in the Connecticut Law Journal and a notice of Intent to Amend Operating Procedures in accordance with Section 1-121 of the Connecticut General Statutes;

RESOLVED, that the Board approves of the revised Operating Procedures contingent upon receiving no material adverse public comment; and

- Revision to Operating Procedures:

"If the Board of Directors approves of an open competitive process of selection and award **with established criteria** to encourage the investment and deployment of clean energy sources in Connecticut, such award will not be considered a strategic selection and the additional requirements for a strategic selection shall not be required." [Emphasis added]

Open RFP Program
Established Criteria

Eligible Technologies

- Already commercially viable
- Demonstrated clear potential for commercial viability, for ex:
  - Well-documented feasibility studies
  - Pilot programs w/ clear evidence of a viable business model and a path to substantial impact

Clean Energy Goals

- CT's Clean Energy, GHG and CO2 reduction goals
- Public health outcomes, jobs and economic development

Financial Impact

- Leverage of private capital with CGB Capital
- Sometimes – CGB will lead and bring in other partners in a subsequent phase (but will not be "venture equity")

Open RFP Program

Established Criteria - 2

Proposer Qualifications

- Corporate structure
- Team / experience
- Project experience
- Track record
- Financial strength

Project Scope

- The “Big Idea”
- Scope & Scale
- System Design & Equipment
- Business model / projections / O&M
- Other relevant info (feasibility study / Indep Eng Rept)

Clean Energy & Economic Impact

- M&V for environmental / GHG / CO2 goals
- Clean Energy deployment objectives
- Incremental jobs & economic development
- Public health outcomes

Open RFP Program

Evaluation

CONNECTICUT GREEN BANK

Meeting Green Bank Goals	• Energy Efficiency • Renewable energy deployment • Resiliency goals
Green Bank Essentiality	• How / why is Green Bank participation essential to project success?
Project Feasibility	• How feasible? Basis for assessment • Is this the first? On a follow-on "success" • What assurances are there for equipment performance (if applicable)
Project Replicability	• Is this "one & done"? • Potential for replicability in CT or elsewhere

Open RFP Program

Evaluation - 2

Project Timetable	• Total development and project timeline • Milestones for development & investment
Relevant Experience	• Does the proposer offer relevant and sufficient experience for the type of project being proposed?
References	• List of three (3) clients for reference use for whom proposer has performed similar services as those contemplated by proposer's project.
Pending Litigation & Other Red Flags	• Proposers need to have reputations that have been positive and constructive • If there have been disputes – how were these resolved? • Have there been any consumer protection issues?

Open RFP Framework
Resolution #4

NOW, therefore be it:

RESOLVED, that the Board approves the Green Bank Open RFP Program with established criteria as explained in a memorandum to the Board dated July 17, 2020; and

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 establishment and operation of the Open RFP Program.

Board of Directors

Agenda Item #6b

Investment Recommendations

Green Liberty Bonds

Green Liberty Bonds

Celebrating the 50th Anniversary of Earth Day

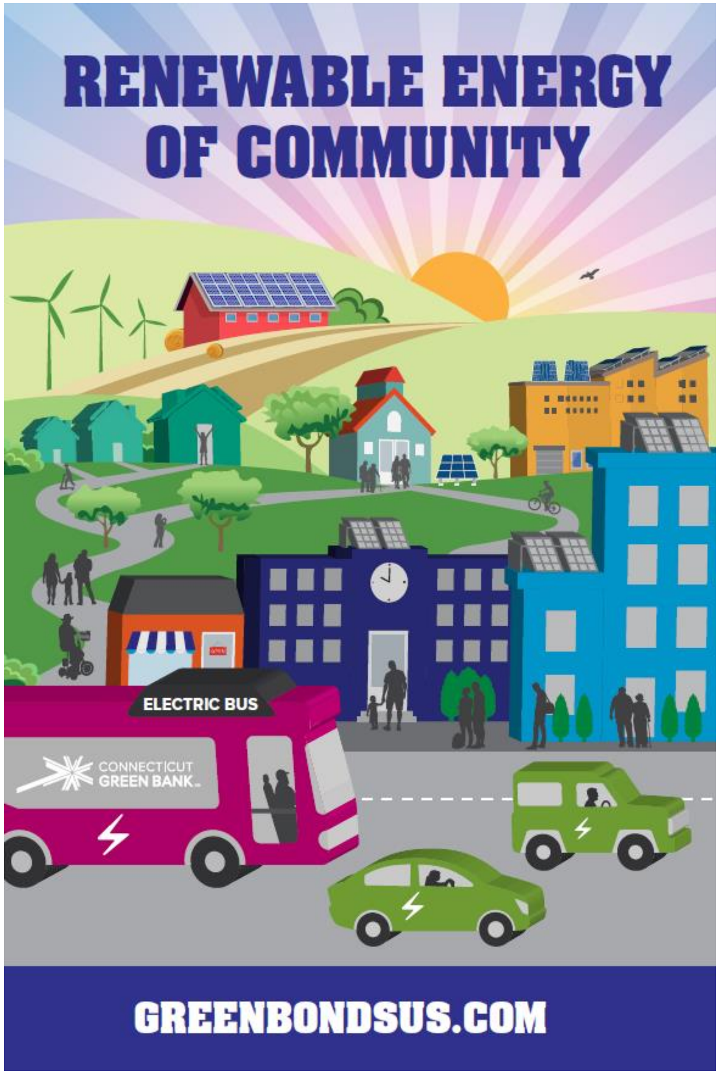
Green Liberty Bonds

Three Features of the Green Bond

- **<u>Use of Proceeds</u>** – use of proceeds from the bond are invested to *combat climate change* (i.e., support Paris Agreement with mitigation and adaptation projects) and create jobs in our communities

- **<u>Retail Accessible</u>** – bonds available to purchase by *everyday citizens* (vs. institutional investors only) in lower denominations (i.e. $1,000)

- **<u>Certified and Verified</u>** – independently certified (e.g., Climate Bonds Initiative, Green Bond Principles, etc.) and verified as a climate bond or green bond for *consumer protection*



Green Liberty Bonds

Public Awareness and Earned Media

Connecticut Green Bank

ABOUT BONDS DOCUMENTS RESOURCES My BondLink Log Out

RENEWABLE ENERGY WORLD

Connecticut green bonds offer residents a chance to fund war on climate change

By Lisa Prevost, Energy News Network | 7.9.20

The state's green bank hopes to inspire residents to help fund clean energy investments to combat climate change.

The Connecticut Green Bank is offering residents a new way to personally invest in projects that confront climate change: mini green bonds.

This month the bank will bring to market about $16 million in what it is calling Green Liberty Bonds. The bonds will have a $1,000 face value, an uncommonly low denomination that is intended to make them broadly accessible.

pv magazine

New retail climate bonds category, patterned after WW2 bonds and designed to aid rooftop solar uptake, to debut

By Jean Haggerty | 7.9.20

In an industry first, Connecticut Green Bank is launching a retail climate bond series in which all of the proceeds generated from the roughly $16.1 million issuance will support rooftop solar deployment in the state. Connecticut Green Bank's new category of climate bond, which it calls "Green Liberty Bonds," are modeled after the Series-E war bonds that half of all Americans bought during World War II.

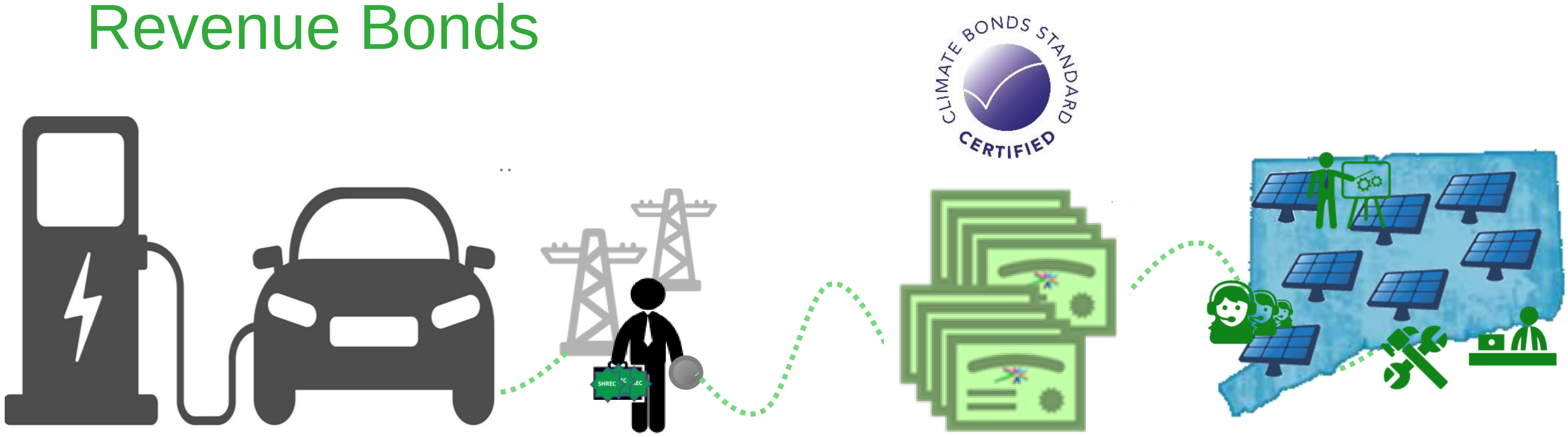
"Instead of the U.S. government issuing war bonds to protect the Allies in World War II, the Connecticut Green Bank is issuing Green Liberty Bonds to confront climate change," Bryan Garcia, Connecticut Green Bank's president and CEO said. Through Green Liberty Bonds, residents can save for themselves and their families while supporting clean energy projects in Connecticut, he added.

we want to see in our society.

With a goal of achieving another order of magnitude of investment in Connecticut's green

Residential Solar PV in CT

Revenue Bonds



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).

The **Green Liberty Bonds are secured by SHREC revenues** received, the Special Capital Reserve Fund, and any moneys deposited by the Green Bank into the Trust Estate

The Green Bank **uses the Bond proceeds to support the RSIP incentives, cover admin and financing costs to achieve 350 MW of solar PV deployment** and development of local solar PV industry

Green Liberty Bonds

Serial and Term Series 2020 Bonds

CONNECTICUT GREEN BANK

Maturity (November 15)	Expected Net SHREC Receivables (P90)	Principal Amount	Interest Rate
11/15/2021	1,737,664	1,145,000	0.950%
11/15/2022	1,724,438	1,148,000	1.080
11/15/2023	1,710,748	1,147,000	1.250
11/15/2024	1,696,574	1,146,000	1.450
11/15/2025	1,681,751	1,145,000	1.600
11/15/2026	1,665,495	1,144,000	1.900
11/15/2027	1,646,947	1,144,000	2.000
11/15/2028	1,625,855	1,143,000	2.200
11/15/2029	1,601,717	1,141,000	2.300
11/15/2030	1,577,194	1,138,000	2.400
11/15/2035*	6,961,067	5,354,000	2.900

REFERENCES

Includes estimated P90 cash flows for 2031 through 2034 as well as reserve fund release net of trustee fees, charges, ad expenses in 2035

Green Liberty Bonds

Serial and Term Series 2020 Bonds

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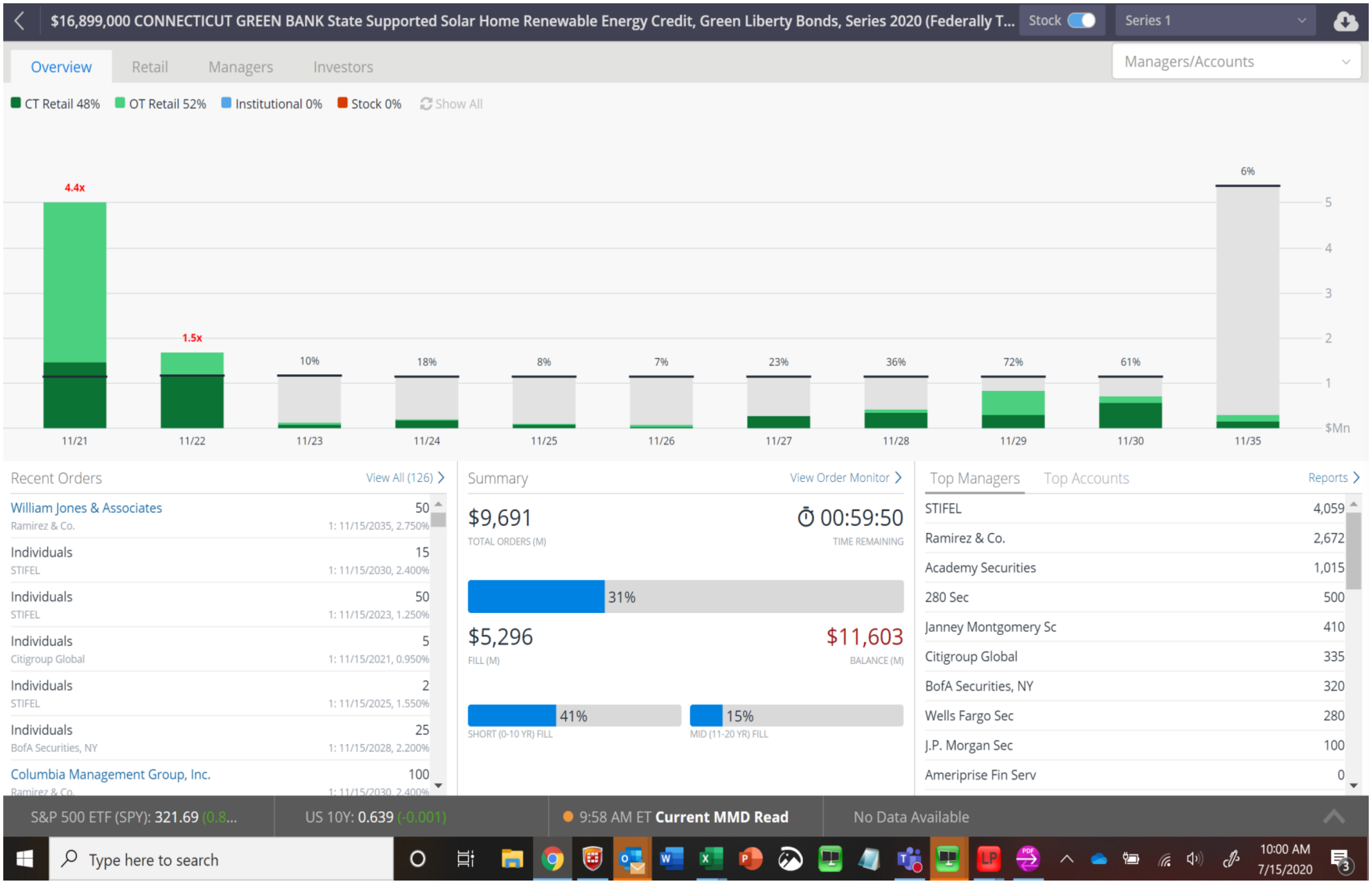
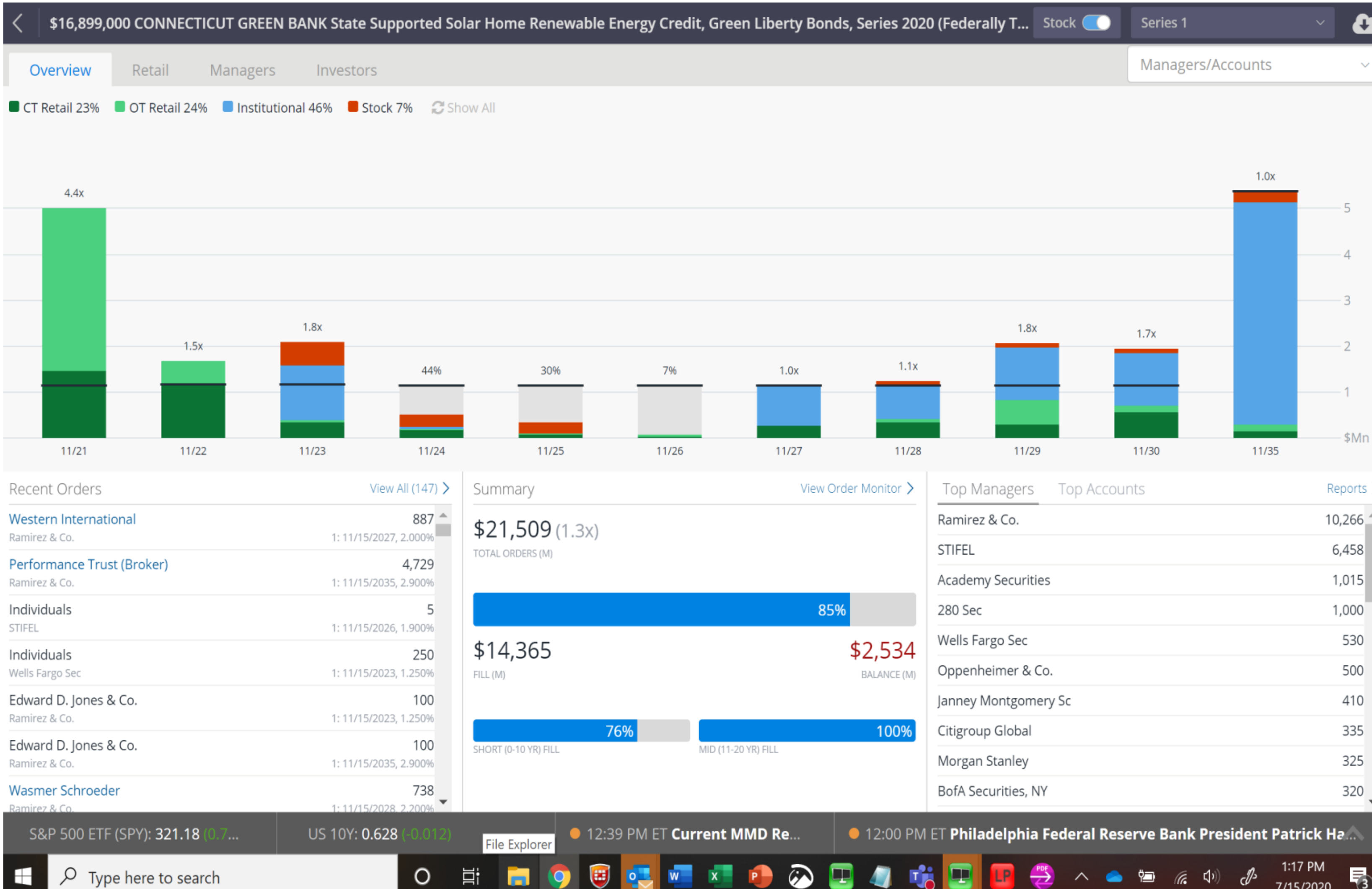


Green Liberty Bonds

Serial and Term Series 2020 Bonds

CONNECTICUT GREEN BANK

1:15 PM



Green Liberty Bonds

Serial and Term Series 2020 Bonds

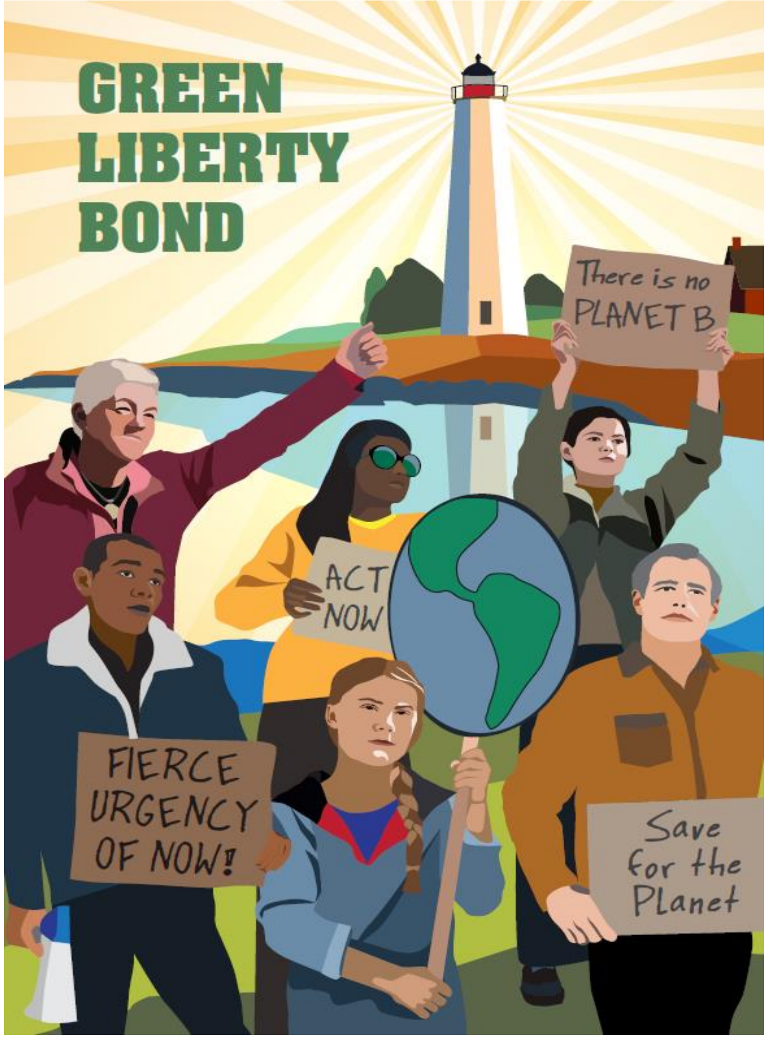
Key Take-Aways

- Achieved our goals of
  - Reaching Connecticut investors
  - Reaching ESG investors
  - Reaching general institutional investors
- Our research (surveys) were confirmed
- Marketing paid off
- World class team put in many hours to achieve success
- We achieved a cost of capital on a “dollar-for-dollar basis
  - At least 100 basis points below what we achieved in the ABS market
  - Issuance costs 50% of ABS route (will be even less as we replicate)
  - True Interest Cost of 2.61% / All-in TIC of 2.92% (vs ABS of ~5.95%)
- Investors want more Green Liberty Bonds
  - VERY strong for retail in the 16 / 28 month maturity (Nov 2021/2022 bonds)
  - We could seek to issue more bonds before the election (aggressive time scale)

Green Liberty Bonds

Performance and Lesson Learned

- **"Big Picture"** – sold out every year and every term – we had more demand than supply! (bigger issuance size)
- **Unable to Meet National Demand** – more than $10 MM of demand from citizens, and CT served first at nearly $5 MM and only able to serve $1 MM national with more than $5 MM of interest. (more national carve-out)
- **Institutional Demand** – ESG and traditional municipal investors. (bigger issuance size)
- **Looking Forward** – preparing to issue follow-on Green Liberty Bond in FY 2021 and assist others in doing the same (enable more citizen investors – can we lower denomination…zero coupon?)



Board of Directors

Agenda Item #6c

Investment Recommendations

USDA Loan

USDA Rural Energy Savings Program ("RESP") Loan

CONNECTICUT GREEN BANK

- **PURPOSE** – Help rural families and small businesses achieve cost savings by providing loans to qualified consumers through eligible entities to implement durable cost-effective energy efficiency, renewable energy, energy storage, or energy conservation measures.
- **ELIGIBLE ENTITIES** – such as the Green Bank are eligible to:
  - Apply for loans up to 20 years at 0% interest rate ("RESP Loan");
  - Relend to end-users who are qualified consumers up to 5% interest rate for up to 10 years; and
  - Request a special advance equal in amount of up to 4% of the RESP Loan for start-up costs ("RESP Special Advance")
- **APPLICATION –** Consistent with its Comprehensive Plan, the Green Bank will apply to the USDA to access low-cost and long-term federal loan funds (i.e., the RESP Loan) for the deployment of clean energy in rural communities

USDA Rural Energy Savings Program ("RESP") Loan

- **PROGRAMS**
  - Commercial Property Assessed Clean Energy
  - Green Bank Solar Power Purchase Agreement
  - Shared Clean Energy Facilities
  - Smart-E Loan
  - On-Bill Repayment Program
  - Rolling Open RFP Program

USDA Rural Energy Savings Program (“RESP”) Loan

- **APPLICATION PROCESS**
  1. Cover letter;
  2. **Board resolution;**
  3. Articles of Incorporation or other applicable organizational documents currently in effect;
  4. Multi-tier environmental compliance agreement;
  5. Long-range financial forecast;
  6. Energy efficiency program implementation work plan; and
  7. Any additional federal compliance forms.
  - **The Green Bank staff expects that it will submit the loan application around Labor Day – September 7, 2020.**

USDA Loan Application

Resolution #5

NOW, therefore be it:

RESOLVED, that the Board of Directors of the Connecticut Green Bank, pursuant to the information provided by the Staff in a memo dated July 24, 2020, has determined that the request for funding from the RESP is consistent with the Comprehensive Plan of the Connecticut Green Bank; and

RESOLVED, that the Board of Directors approves of the Staff to submit any and all necessary information for a complete RESP Loan Application consistent with the process outlined by the RUS staff of the USDA no later than September 28, 2020; and

RESOLVED, that the Board of Directors authorizes and approves the establishment

of the energy efficiency programs set forth in the LOI to the RUS as set forth in Appendix B attached to these resolutions to be set up by the Green Bank with RESP Loan funds to provide financing to qualified consumers so that they can implement durable cost-effective energy efficiency measures.

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 RESP Loan 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 #6d

Investment Recommendations

SHREC Warehouse

SHREC Warehouse

Review and Approval

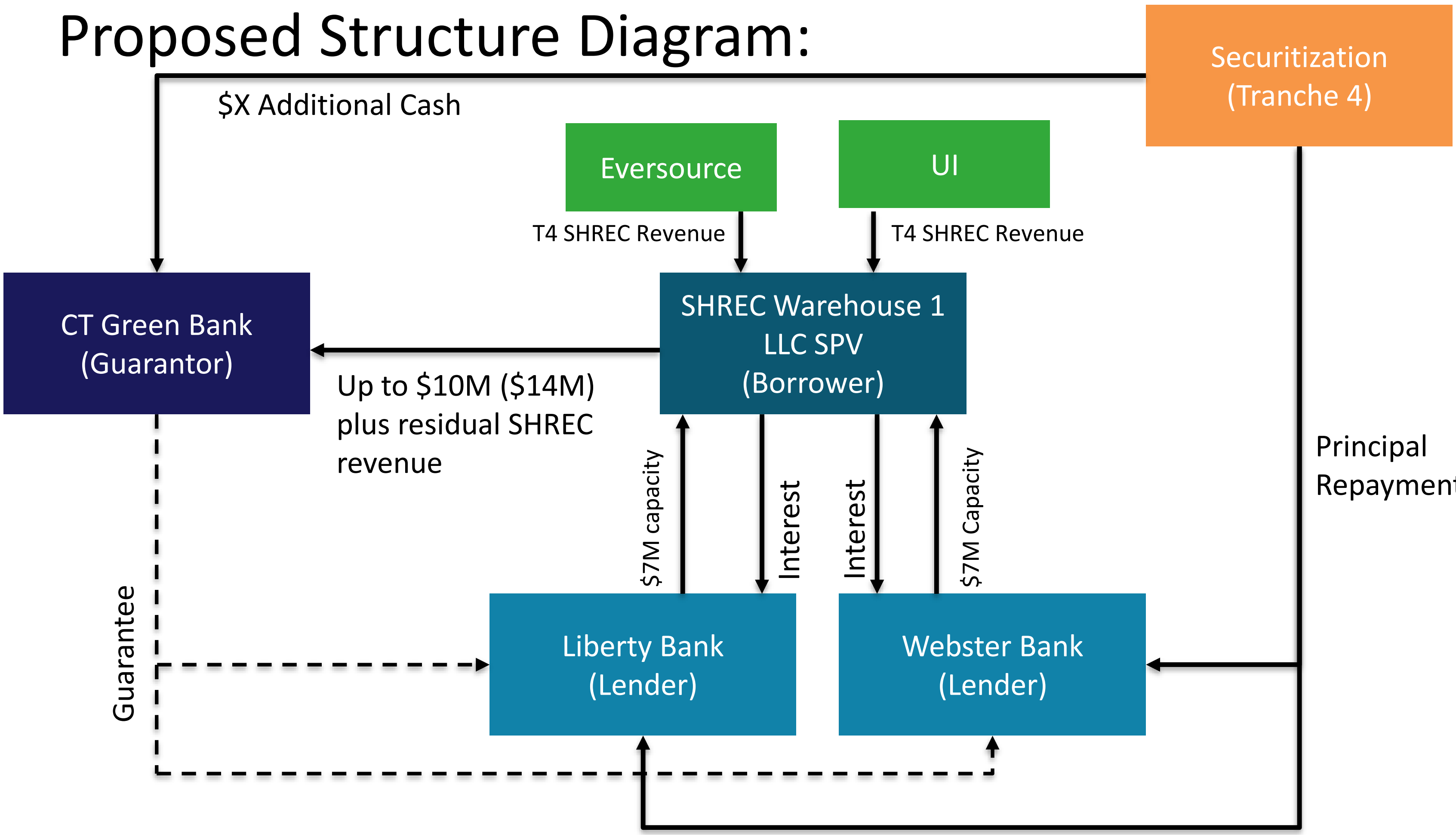
- Joint proposal from Liberty Bank and Webster Bank:
  - Builds upon previous $14 million facility backed by Tranche 3
  - Secured by SHREC revenues & CGB Guaranty
  - ***Revolving*** Credit Facility (can draw and pay back)
  - Interest only
  - Maturity – 12 months
  - Interest rate – [to be discussed]
  - Upfront fee – [to be discussed]
  - Unused fee – [to be discussed]

- Strategic benefits:
  - Solidify banking relationships within the State
  - Improves Green Bank leverage vis-à-vis securitizations (T3, T4, …)
  - Improved liquidity

SHREC Warehouse

Review and Approval

Proposed Structure Diagram:



SHREC Warehouse

Resolution #6

NOW, therefore be it:

RESOLVED, that the Green Bank hereby authorizes, ratifies and approves the Loan, as modified, from Liberty-Webster to the Company pursuant to (i) the memorandum to the Board dated July 24, 2020, inclusive of the summary of terms referred to therein and (ii) the terms of the Amendment to Credit Agreement and the other Loan Documents (as defined in the Amendment to Credit Agreement, including all of the documents listed on Exhibit B hereto); and be it further

RESOLVED, that each of the Company and the Green Bank be and it hereby is, and at the time it entered into the Loan and/or the Guaranty was, authorized to secure the Loan and the Guaranty by, among other things, granting to Agent and/or Webster-Liberty a first priority security interest in and to its property, including, without limitation the SHREC Collateral; and be it further

RESOLVED, that the Board hereby authorizes, directs, ratifies and approves the Company's entering into the Amendment to Credit Agreement and all documents listed on Exhibit B to which it is a party and of each other contract or instrument to be executed and delivered by the Company in connection with the transactions contemplated by these resolutions (collectively, the "**Modification Documents**"); and be it further

RESOLVED, that the Board hereby authorizes, directs, ratifies and approves the Green Bank's entering into the Amendment to Credit Agreement and all documents listed on Exhibit B to which it is a party and of each other contract or instrument to be executed and delivered by the Green Bank in connection with the transactions contemplated by these resolutions (collectively, the "**Guaranty Documents**"); and be it further

RESOLVED, that the Board hereby authorizes, directs, ratifies and approves (i) the Green Bank's execution, delivery and performance of the Guaranty Documents (including the Amendment to Credit Agreement) and all of the Green Bank's obligations under the Guaranty Documents and (ii) the Company's execution, delivery and performance of the Modification Documents (including the Amendment to Credit Agreement) and all of the Company's obligations under the Modification Documents (including the Amendment to Credit Agreement); and be it further

RESOLVED, that the actions of Bryan Garcia in his capacity as the President and Chief Executive Officer of Green Bank ("**Garcia**"), Roberto Hunter in his capacity as the Chief Investment Officer of Green Bank ("**Hunter**") and Brian Farnen in his capacity as General Counsel and Chief Legal Officer of Green Bank ("**Farnen**"; and together with Garcia and Hunter, each an "**Authorized Signatory**"), are hereby authorized, empowered, ratified and approved with regard to the negotiation, finalization, execution and delivery, on behalf of Green Bank and the Company, of the Guaranty Documents, the Amendment to Credit Agreement and the Modification Documents and any other agreements that they deemed necessary and appropriate to carry out the foregoing objectives of Green Bank and/or the Company, and any other agreements, contracts, legal instruments or documents as they deemed necessary or appropriate and in the interests of Green Bank and/or the Company in order to carry out the intent and accomplish the purpose of the foregoing resolutions are hereby authorized, ratified and approved; and be it further

RESOLVED, that each Authorized Signatory be, hereby is, acting singly, and at the time of the execution of the Guaranty Documents, the Amendment to Credit Agreement and the Modification Documents is, authorized, empowered and directed, for and on behalf of the Green Bank and the Company (in the Green Bank's capacity as the sole member of the Company), to execute and deliver the Guaranty Documents, the Amendment to Credit Agreement, the Modification Documents and any agreements, instruments and/or certificates related to the modification of the Loan as such Authorized Signatory shall deem necessary or appropriate and in the interests of Green Bank and/or the Company in order to carry out the intent and accomplish the purpose of the foregoing resolutions; and be it further

RESOLVED, that any other actions taken by any Authorized Signatory are hereby approved and ratified to the extent that such Authorized Signatory or Authorized Signatories have deemed such actions necessary, appropriate and desirable to effect the foregoing resolutions.

Board of Directors
Agenda Item #7
Other Business

Other Business

- **<u>Moving Forward Act</u>** – $1.5 trillion infrastructure bill passed by the US House of Representatives on July 1st including the $20 billion "Clean Energy and Sustainability Accelerator" (i.e., National Climate Bank Act) through a floor motion from Congresswoman Dingell

- **<u>United States Climate Alliance</u>** – letter on behalf of 25 Governors who are "still in" to the Paris Agreement to Congress in support of modernizing and decarbonizing a 21st century resilient infrastructure, including the support of a National Green Bank

Board of Directors

Agenda Item #8

Adjourn

BOARD OF DIRECTORS OF THE
CONNECTICUT GREEN BANK
Regular Meeting Minutes

Friday, June 26, 2020
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 June 26, 2020.

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

Board Members Present: Eric Brown, Binu Chandry, John Harrity, Michael Li, Steve Meier, Lonnie Reed, Brenda Watson

Board Members Absent: Thomas Flynn, Matt Ranelli, Kevin Walsh

Staff Attending: Brian Farnen, Louise Della Pesca, Mackey Dykes, Bryan Garcia, Bert Hunter, Matt Macunas, Jane Murphy, Selya Price, Cheryl Samuels, Eric Shrago, Ariel Schneider, Michael Yu, Nicholas Zuba

Others present: Bob Lamb, Michael Trahan, Marianna Trief, Bruce Chudwick from Shipman and Goodwin, Alan Quintero and Brad Freedman from Ramirez & Co..

1. Call to Order

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

2. Public Comments

- No public comments.

3. Consent Agenda

- Lonnie Reed introduced Steve Meier who is replacing Bettina Bronisz on the Board of Directors.

Resolution #1

Motion to approve the meeting minute of the Board of Directors for April 24, 2020.

Upon a motion made by John Harrity and seconded by Brenda Watson, the Board of

Directors voted to approve Resolution 1. None opposed or abstained. Motion approved unanimously.

4. Update on COVID-19 Restructurings and Write-Offs

- Bert Hunter summarized COVID-19's impact on restructuring and write-offs within the Green Bank portfolios. So far requests have been small, with the theory that the full impact hasn't been felt due to stimulus packages and other actions to counter it. So far only 1.1% of active Smart-E loans are in deferral for forbearance, and though some lenders offer up to 90-day deferrals, some borrowers only request 30-days. Bert Hunter reviewed the specifics of how many loans within each other portfolio have requested deferrals, though it is generally 1% or less within each. The Green Bank is focused on helping borrowers manage through the crisis.

5. Committee Recommendations and Updates

a. Audit, Compliance, and Governance and Deployment Committees

i. Proposed Loan Loss Decision Framework and Process – Subsidiaries

- Bryan Garcia reviewed the proposal to apply the Loan Loss Reserve Framework and Process to subsidiaries, though the process and structure has not changed from the current practice as it applies to the Green Bank. The proposal has been presented to the Audit, Compliance, and Governance and Deployment Committees at previous meetings. Based on the type of loss anticipated, it would be brought for review to the respective staff or committee for approval.
    - Brenda Watson commented that the legislature might try to raid energy funds due to the impact of COVID-19 and asked if there are any plans for such a loss. Bryan Garcia answered that the legislature has previously transferred funds from the System Benefit Fund to the General Fund, so that could happen given what the state budget is currently facing. The Green Bank, as a result of prior sweeps, is implementing a sustainability plan to invest in a number of income-producing assets for the organization so it can eventually stand on its own without the reliance on the ratepayer funds. The interest income revenues are increasing from non-ratepayer sources, so the goal is to build that further to cover operating expenses. Lonnie Reed noted the importance of continuing to push the facts that the funds taken were already dedicated to help prevent the sweeps from happening again. John Harrity also added that the Governor has been vocal in his support of the Green Bank and that there should not be any more sweeps. As well, due to the reaction of the last one there is hope that it will not happen again.

Resolution #2

WHEREAS, on October 20, 2017, the Green Bank Board of Directors approved of a recommendation brought forth by both the ACG Committee and Deployment Committee to approve the authorization to amend the Staff Approval Policy to increase program funding requests for Projects Under $300,000 to $500,000 with an aggregate amount limit of $1,000,000 from the date of the last Deployment Committee meeting; and

WHEREAS, based on a recommendation brought forth by the Deployment and ACG Committees, the Board approved and authorized the Green Bank staff to implement the Loan Loss Decision Framework and Process for managing assets requiring restructuring or write-off from the Green Bank's balance sheet and consistent with the memorandum to the Board dated June 13, 2018 ("Loan Loss Decision Framework and Process") and for a similar framework to be developed at a future date for the Green Bank's special purpose vehicles (i.e., subsidiaries); and

WHEREAS, in response to the COVID-19 pandemic, the staff of the Green Bank proposed a modification to the Loan Loss Decision Framework and Process with regards to restructuring transactions, as well as the Green Bank's provision for loan losses, in order to help families and businesses manage through this public health crisis, which the Board approved on April 24, 2020.

WHEREAS, on May 19, 2020, the Audit, Compliance and Governance Committee, and on May 27, 2020, the Deployment Committee, recommended that the Board of Directors approve of the Staff proposed Loan Loss Decision Framework and Process for Subsidiaries for managing assets requiring restructuring or write-off from the Green Bank's balance sheet and consistent with the memorandums presented to the committees May 12, 2020, and May 20, 2020, respectively.

NOW, therefore be it:

RESOLVED, that the Board of Directors approve of the Staff proposed Loan Loss Decision Framework and Process for Subsidiaries for managing assets requiring restructuring or write-off from the Green Bank's balance sheet and consistent with the memorandum dated June 26, 2020.

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

b. Audit, Compliance, and Governance Committee

i. Proposed Revisions to Bylaws

- Brian Farnen presented the changes to the bylaws based on recommendations from the audit of the Connecticut Port Authority in 2019. The changes are intended to improve the best practices of the Green Bank and increase transparency.
  - John Harrity suggested, looking at the description of the Green Bank's functions, it talks about clean energy but the phrase "climate change" does not appear and suggested it be added. Brian Farnen suggested adding in at the end "to mitigate the impact of climate change," which John Harrity agreed would help further define the Green Bank's role. Eric Brown did not support the addition but Binu Chandry did support it.
  - Steve Meier asked if the Board of Directors is confident that adding Compensation to the Budget and Operations Committee (now the BOC Committee) does not have a conflict of interest, and that it will satisfy the auditors. Brian Farnen said yes, that as long as the BOC Committee's existing and new duties are fully explained it should be good. Bryan Garcia said that in general, the BOC Committee recommends a merit pool and promotion pool and there is a process for senior staff to review the rest of staff for the merit pool, and promotions are very transparent as well. The BOC Committee would lay out the framework and the process would handle the details, but all of the Green Bank's

salary information is also publicly available. Brian Farnen also noted there is so much overlap that to not have it as one committee could be even more disjointed.

- Lonnie Reed asked if the Resolution needs to be amended to include the language about climate change. Brian Farnen said he would add "to mitigate the impact of climate change" to the purpose of the Green Bank.

<u>Resolution #3</u>

WHEREAS, pursuant to Section 5.2.1 of the Connecticut Green Bank ("Green Bank") Bylaws, the Audit, Compliance & Governance (ACG) Committee is charged with the review and approval of, and in its discretion recommendations to the Board of Directors ("Board") regarding, all governance and administrative matters affecting the Green Bank, including but not limited to matters of corporate governance and corporate governance policies;

WHEREAS, the Audit, Compliance and Governance Committee recommends to the Board for approval the proposed draft revisions to the Green Bank Bylaws.

NOW, therefore be it:

RESOLVED, that the Board hereby approves the attached revised Green Bank By-Laws dated April 24, 2020.

Upon a motion made by John Harrity and seconded by Brenda Watson, the Board of Directors voted to approve Resolution 3 with an amendment to include verbiage addressing the mitigation of the impact of climate change within the Green Bank's purpose. Eric Brown opposed but none abstained. Motion approved.

ii. Proposed Revisions to Employee Handbook

- Eric Shrago reviewed the employee handbook updates for 2020 which includes changes to the Annual Review, noted current technology, ethics, and telecommuting and flexible work schedule policies. Changes are normally done in the fall, but it was decided to do updates now to be more in line with operations due to COVID-19.

<u>Resolution #4</u>

WHEREAS, pursuant to Section 5.2.1 of the Connecticut Green Bank (Green Bank) Bylaws, the Audit, Compliance & Governance (ACG) Committee has recommended that the Board of Directors (Board) approve of certain revisions to the Green Bank Employee Handbook;

NOW, therefore be it:

RESOLVED, that the Green Bank Board hereby approves of the revisions to the Green Bank Employee Handbook presented on June 26, 2020.

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

c. **Budget and Operations Committee**
   i. **Proposed FY21 Targets, Budget, and Investments**

- Eric Shrago reviewed the FY2021 Targets and Budget:
- Targets for Incentive Programs. RSIP varies based on whether the 350 MW goal is reached or is extended. The Battery Storage program is based on whether the program is implemented or not (i.e., whether the Green Bank's proposal under Docket No. 17-12-03(RE03) is supported, or through other mechanism like the Electric Efficiency Partners Program). Smart-E and Solar For All programs are variant based on the impacts from COVID-19 and consumer uncertainty. The Green Bank will support between $89.5 million and $153.8 million in investment for 3094 to 5646 projects that deploy 24 to 42 MW of clean energy and annually avoid 18,737 to 32,425 tons of CO_2.
- Targets for Financing Programs. CPACE has been impacted by COVID-19 but it can be rebuilt. SBEA will continue to grow in addition to BEA loans. The multifamily sector has been the most impacted by COVID-19, and unfortunately its unlikely many projects will be realized in the 2021 fiscal year because of it. The EV Offset Pilot Program is moving along thanks to Matt Macunas and due to being easy for end-users to manage. The Strategic Investments are also subject to not being realized, though some still likely will. The Green Bank will support $47.8 million to $58.7 million in investment through Financing Programs for 1273 to 1316 projects that will deploy 11 to 19 MW of clean energy and annually avoid 27,591 to 34,195 tons of CO_2.
- The FY 2021 budget was reviewed. Revenues are increasing and though operating expenses and program incentives and grants are increasing too, there should still be a net revenue increase seen. As well, non-operating expenses are decreasing.
    - Eric Brown asked when reviewing the targets, in terms of developing metrics, are the targets that relate to air emissions the Green Bank targets or is it in the context of a consequence of helping the State reduce emissions. His concern is that the Green Bank is getting into the business of air emission targets. Eric Shrago stated it is the impact of the projects being implemented, as a quantifiable benefit which helps reflect the improvement of technology. Eric Brown clarified they are metrics of impact and not set goals for air emission reduction, which Eric Shrago agreed was correct. It is an estimation of the impact the efforts will have. Bryan Garcia added that the Green Bank staff have been working with automobile developers to create a metric for the EV offset standard. The industry is leaning on the Green Bank to continue the structure to help sell the offsets and benefit the installation of EV chargers. The emissions avoided for the EV Offset Program is more direct compared to the others targets within the proposed plan.
    - Steve Meier asked how realistic the goals are, even with the range, given the impact of COVID-19 and the possibility of a second wave or vaccine developed. He wants to know more about the impact on economic recovery and what the assumptions are that helped develop the forecast. Eric Shrago answered that there is confidence the numbers are accurate, as the lower goals are based on a more worse-case recovery and the higher goals are based on a steadier recovery, though if updates need to be made based on how things progress the Board will be updated and presented with new information to review and approve. Lonnie Reed praised the Green Bank's staff's efforts to keep the Board up to date.

<u>Resolution #5</u>

WHEREAS, the Connecticut Green Bank's (Green Bank) Budget and Operations Committee recommends that the Green Bank Board of Directors approve the Fiscal Year 2021 Targets and Budget;

WHEREAS, the Budget and Operations Committee recommends that the Board of Directors authorizes Green Bank staff to extend the professional services agreements (PSAs) currently in place with the following, contingent upon a competitive bid process having occurred in the last three years (except Alter Domus (formerly Cortland), Sustainable Connecticut, Adnet Technologies, Sustainable Environmental Associates, and Inclusive Prosperity Capital):

I. Adnet Technologies, LLC
II. Clean Power Research, LLC
III. Alter Domus (formerly Cortland)
IV. CSW, LLC.
V. Inclusive Prosperity Capital
VI. Locus Energy LLC
VII. ReCurve Analytics
VIII. ERS
IX. BlumShapiro
X. Guidehouse (aka Navigant)
XI. Sustainable CT
XII. GO, LLC
XIII. Adams & Knight
XIV. Environmental Control, Inc., d.b.a ENCON
XV. Sustainable Environmental Associates

For fiscal year 2021 with the amounts of each PSA not to exceed the applicable approved budget line item;

NOW, therefore be it:

RESOLVED, that the Green Bank Board hereby approves: (1) the FY 2021 Targets and Budget, and (2) the PSAs with the 15 strategic partners listed above.

Upon a motion made by John Harrity and seconded by Binu Chandy, Board of Directors voted to approve Resolution 5. None opposed or abstained. Motion approved unanimously.

ii. Comprehensive Plan – Proposed Revisions

- Bryan Garcia summarized the CGB Comprehensive Plan. The name of the plan is Green Bonds US which reflects the drive to create a more interconnected society based in efforts to deploy green energy to benefit everyone and support the creation of the Green Liberty Bonds issuance which further pushes collective green energy efforts.

<u>Resolution #6</u>

WHEREAS, in July of 2011, the Connecticut General Assembly passed Public Act 11-80 (the Act), "AN ACT CONCERNING THE ESTABLISHMENT OF THE DEPARTMENT OF

ENERGY AND ENVIRONMENTAL PROTECTION AND PLANNING FOR CONNECTICUT'S ENERGY FUTURE," which created the Connecticut Green Bank (the "Green Bank") to develop programs to finance and otherwise support clean energy investment per the definition of clean energy in Connecticut General Statutes Section 16-245n(a);

WHEREAS, the Act directs the Green Bank to develop a comprehensive plan to foster the growth, development and commercialization of clean energy sources, related enterprises and stimulate demand clean energy and deployment of clean energy sources that serve end use customers in this state;

WHEREAS, Article V of the Green Bank Operating Procedures requires the Green Bank Board of Directors (the "Board") to adopt an Annual Plan for each forthcoming fiscal year;

WHEREAS, the Board of Directors reviewed and approved the FY 2021 targets and budget on July 18, 2019 and June 26, 2020, which together with the Comprehensive Plan, are effectively the Annual Plan;

NOW, therefore be it:

RESOLVED, that the Board approves of the revised changes to the Comprehensive Plan for FY 2020 and Beyond as presented to the Board on June 26, 2020, and subject to nonmaterial modifications made by the officers.

Upon a motion made by Binu Chandy and seconded by Brenda Watson, the Board of Directors voted to approve Resolution 6. None opposed or abstained. Motion approved unanimously.

6. Financing Programs Recommendations

a. C-PACE Guidelines – Proposed Revisions

- Mackey Dykes summarized the CPACE Guidelines changes, which includes 3 substantive revisions and 3 minor revisions.
  - This includes changes to the guidelines about residential dwellings as some potential properties that staff believes should be eligible are currently disqualified.
  - Makes one-year lookback based on overall project completion rather than individual measure completion
  - Allowing self-certification by capital provider/third party owner that savings to investment ration (SIR) is met for 3rd party PPAs
- The minor revisions are clarifications to phrasing but not substantial changes.
- Lonnie Reed noted the push-back from banks on the residential case-review and wonders if the rework being done will need legislative approval. Mackey Dykes said he thinks it is allowable under the statute. In caution, language is being added that any property with a residential mortgage would not be allowable as the properties still need to be commercially focused.
- Mackey Dykes noted that if approved, the changes would go to a public comment period. If any are noted that need to be worked on, the changes would go back to the Board for review and approval again.

<u>Resolution #7</u>

WHEREAS, Conn. Gen. Stat. Section 16a-40g (the "Authorizing Statute") authorizes what has come to be known as the Commercial Property Assessed Clean Energy Program ("C-PACE"), the Authorizing Statute designates the Connecticut Green Bank ("CGB") as the state-wide administrator of the program; and

WHEREAS, the Authorizing Statute charges CGB 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 CGB 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 June 19, 2020. 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, CGB staff considers that significant changes are needed to the Program Guidelines as currently drafted, then CGB staff will seek an updated approval from the Board. If no significant changes result from the public comment process, then the final form of the Program Guidelines, as may be edited by CGB staff, shall be deemed approved by the Board and CGB staff will proceed with implementation of such Program Guidelines.

Upon a motion made by Binu Chandy and seconded by Brenda Watson, the Board of Directors voted to approve Resolution 7. None opposed or abstained. Motion approved unanimously.

7. Investment Recommendations

a. Financing Indenture – Green Liberty Bonds: Series 2020

- Bryan Garcia reviewed the process to get the Green Liberty Bonds ready to go to market. It was decided not to use the Master Trust Indenture and the Green Bank received approval of the use of the Special Capital Reserve Fund (SCRF). This also means it is a bond supported by the State and has received an "A" rating. He commented on the excitement felt by the upcoming issuance.
- Bert Hunter discussed the history of approvals, process leading up to now, and the new approvals needed to proceed. Bruce Chudwick from Shipman and Goodwin noted Bert Hunter's thorough review of the new documentation and structure. Alan Quintero from Ramirez & Co. then summarized the history of the market and its changes from before COVID-19, through it, and now. As well, the efforts being taken to have the issuance succeed as well as possible.
- Brad Friedman from Ramirez & Co. reviewed the expected structure of the Green Liberty Bonds in terms of their components, maturity timeline, rates, and yields.

__**Resolution #8**__

WHEREAS, Connecticut Green Bank ("Green Bank") is authorized pursuant to Sections 16-245n and 16-245kk through 16-245mm of the Connecticut General Statutes (the "Act"), to finance and support financing or other expenditures that promote investment in sources of clean energy, as defined in the Act, by issuing its bonds, notes or other obligations in accordance with the Act; and

WHEREAS, pursuant to the Act, the Green Bank Board of Directors (the “Board”), at its March 25, 2020 meeting (the “Prior Meeting”) approved a resolution authorizing the issuance of Bonds, to be titled Green Liberty Bonds, in an amount not to exceed $25,000,000 to finance the SHREC Receivables for SHREC Tranche 3 and to fund cost recovery under the RSIP and provide for long-term financing of the SHRECs (the “Prior Resolution”), which Prior Resolution (containing certain capitalized defined terms therein and as further used herein) also provided, in part, that:

i) Green Bank enter into a Master Trust Indenture to provide the structure and mechanism for financing Green Bank’s programs; and
ii) Green Bank enter into an Indenture of Trust to finance the SHREC Receivables; and
iii) the Findings of Self Sufficiency Report presented to the Board at the Prior Meeting be approved and adopted, with Authorized Officers of Green Bank authorized to make certain revisions to said Report; and
iv) the Preliminary Official Statement dated on or about April 9, 2020 as presented to the Board at the Prior Meeting be approved, with Authorized Officers of Green Bank authorized to make certain revisions to said Preliminary Official Statement.

WHEREAS, Green Bank has determined that, in order to obtain approval of the SCRF for the Bonds, Green Bank shall not enter into the Master Trust Indenture at this time, but shall, in lieu thereof, enter into a Project Support Agreement or other agreement as determined by an Green Bank and acceptable to the State Treasurer’s Office and the Office of Policy and Management to further support the issuance of the Bonds; and

WHEREAS, the Indenture of Trust has been revised and updated to provide for a Project Support Agreement or other agreement in lieu of the Master Trust Indenture; and

WHEREAS, the Findings of Self Sufficiency Report have been revised and updated to provide additional information regarding SHREC Tranche 3 and the Bonds.

NOW, therefore be it:

RESOLVED, that the actions taken and included in the Prior Resolution adopted by the Board at the Prior Meeting are hereby ratified and confirmed in all respects, except as otherwise revised or amended by this Resolution, and

FURTHER RESOLVED, that Green Bank not enter into a Master Trust Indenture at this time as provided in the Prior Resolution, but shall, in lieu thereof, enter into a Project Support Agreement or other agreement with such terms as determined by the President and any Officer of Green Bank (each, an “Authorized Representative”) and acceptable to the State Treasurer’s Office and the Office of Policy and Management to further support the issuance of the Bonds; and

FURTHER RESOLVED, that the revised Indenture of Trust, substantially in the form presented to this meeting, is hereby approved, with such changes to the form, terms and provisions thereof as may be approved by an Authorized Representative, as he or she deems advisable for the purpose of issuing the Bonds; and

FURTHER RESOLVED, that the revised and updated Findings of Self Sufficiency Report (the "Revised Report"), as presented to the Board at this meeting, including each of the Findings and the Determination included therein, is hereby approved and adopted, and an Authorized Representative is (a) authorized to make any additional revisions to the Report, provided such revisions do not materially change the Findings and Determination contained therein, and such Report as revised shall be and is hereby deemed approved by the Board, and (b) authorized to take appropriate actions to secure the SCRF for the Bonds when and if he or she determines, in his or her discretion, that it is in the best interests of Green Bank to secure the SCRF in connection with the issuance of the Bonds, and provided Green Bank complies with all statutory requirements for the SCRF, which will require among other things (1) State of Connecticut Office of Policy and Management approval, and (2) approval by the Office of the State Treasurer and other documentation required under the Act; and

FURTHER RESOLVED, that the form, terms and provisions of the revised and updated Preliminary Official Statement for the Bonds dated on or about June 29, 2020 as presented to the Board at this meeting be, and is hereby approved; with such changes to the form, terms and provisions thereof as may be approved by an Authorized Representative, as he or she deems advisable for the purpose of issuing the Bonds; and

FURTHER RESOLVED, that, as provided in the Prior Resolution, in connection with the Bonds, any Authorized Representative be, and each of them acting individually hereby is, authorized and directed in the name and on behalf of Green Bank, to prepare and deliver, or cause to be prepared and delivered, a final Official Statement relating to the Bonds, including any revisions thereof and amendments and supplements thereto, to execute and deliver the Bonds, the Indenture of Trust, the Purchase Contract, the Continuing Disclosure Agreement, and any other documents or instruments, with such changes, insertions and omissions as may be approved by an Authorized Representative, as he or she deems advisable for the purpose of issuing the Bonds (collectively, the "Financing Documents") and the execution and delivery of said Financing Documents shall be conclusive evidence of any approval required by this Resolution or the Prior Resolution; and

FURTHER RESOLVED, that, to the extent that any act, action, filing, undertaking, execution or delivery authorized or contemplated by this Resolution or the Prior Resolution has been previously accomplished, all of the same are hereby ratified, confirmed, accepted, approved and adopted by the Board as if such actions had been presented to the Board for its approval before any such action's being taken, agreement being executed and delivered, or filing being effected.

Upon a motion made by Binu Chandy and seconded by Brenda Watson, the Board of Directors voted to approve Resolution 8. None opposed and Steve Meier abstained. Motion approved.

b. Restructuring of Canton Hydro NVM Project – COVID-19 Impact

- Marianna Trief reviewed the Canton Hydro update on restructuring due to COVID-19. Construction progress is on schedule within reason due to COVID-19 delays. Currently travel restrictions are preventing Austrian engineers from the equipment providers from entering the United States to be on site for supervision and equipment assembly. The

Green Bank is requesting a $100,000 loan increase with conditions regarding advances, a match contribution, and repayment.

- John Harrity noted the dam is in Townsville which receives a lot of pedestrian traffic and hopes if there is an opportunity to install signage indicating The Green Bank's support of the dam, that it be considered. Lonnie Reed, Brenda Watson, and Binu Chandy agreed that it would be a great idea. Bert Hunter said the Green Bank would work towards including language to make that possible.

Resolution #9

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 and (3) Green Bank's Comprehensive Plan for Fiscal Years 2015 and 2016 (the "Comprehensive Plan"), Green Bank continuously aims to develop financing tools to further drive private capital investment into clean energy projects;

WHEREAS, Canton Hydro, LLC ("Developers") 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 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 a $100,000 increase in the Loan due to delays associated with COVID, for a total not to exceed amount of $1,300,000;

WHEREAS, the Green Bank Deployment Committee ("Deployment Committee") and the Audit, Compliance and Governance Committee ("ACG Committee") recommended approval of the Proposed Loan Loss Decision Framework and Process, set forth in that certain memo to the Board of Directors dated June 8, 2018 as modified on April 24, 2020 (the "Loss Process") for their consideration and subsequent approval; and

WHEREAS, in accordance with Loss Process, Green Bank staff seeks the approval to restructure the Loan by providing forbearance of quarterly interest payments during construction (the "Restructured Loan"), as more particularly described in the memorandum submitted to the Board on June 23, 2020.

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 Restructured Loan with terms and conditions consistent with the memorandum submitted to the Board on June 8, 2020, 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 the Board approval of the Loss Process; and

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 June 22, 2020 for an increase in Green Bank's financial support in an amount not to exceed $1,300,000;

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 Brenda Watson and seconded by John Harrity, the Board of Directors voted to approve Resolution 9. None opposed or abstained. Motion approved unanimously.

c. Amalgamated Bank Line of Credit

- Louise Della Pesca summarized the request to renew the Amalgamated Bank line of credit. This is a rolling forward of the line of credit with a few differences. The maximum borrowing limit remains $5 million but will decrease $300,000 quarterly. As well the collateral is being increased to include a general repayment obligation. The new interest rate will change as well. The front-end fee is the same and unused fee also remains the same based on whatever has been undrawn.
- Lonnie Reed asked if the interest ends up cheaper, which Bert Hunter clarified it is cheaper in absolute level vs where the Green Bank was initially in terms of the original facility, but that given the change in the interest rate benchmark to “Prime Rate” – the effect is a higher cost than would have been in effect with the prior LIBOR-based pricing, but either way it is fair pricing. He said next year perhaps there will be research into whether there is a better option available but given all the uncertainty now this is the best option.
- Steve Meier asked if the decrease on the outstanding balance of the loan facility results in lien collateral decreases accordingly as well. Bert Hunter said yes.

<u>**Resolution #10**</u>

WHEREAS, Connecticut Green Bank (“Green Bank”) staff has submitted to the Green Bank Board of Directors (“Board”) a proposal for Green Bank to enter into an agreement with Amalgamated Bank (“Amalgamated”) to amend an existing (“Original Revolving Credit Facility”) $5,000,000 secured revolving line of credit (“Amended Revolving Credit Facility”) whereby the Amended Revolving Credit Facility would be used in order to meet the Green Bank’s short-term liquidity and working capital needs; and

WHEREAS, the selection of Amalgamated as the provider of the Original Revolving Credit Facility followed the completion of a Request for Proposals (“RFP”) process in accordance with Green Bank operating procedures that closed October 19, 2018 and was approved by the Board at a meeting held December 14, 2018;

WHEREAS, along with a general repayment obligation by the Green Bank, Amalgamated would be secured by a Guaranty of two subsidiaries: CT Solar Lease 1 (the guarantor of the Original Revolving Credit Facility) 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 as well as additional collateral, being a first priority security interest in, and an absolute assignment of all cash flows associated with, the CT Solar Loan 1 Notes portfolio (the “Collateral”); and

WHEREAS, Green Bank staff recommends that the Board approve the proposed Revolving Credit Facility, generally in accordance with memorandum summarizing the

Revolving Credit Facility and the terms of the summary term sheet, both presented to the Board on June 26, 2020.

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 to the Board dated June 19, 2020; 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 affect the above-mentioned legal instrument or instruments.

Upon a motion made by Brenda Watson and seconded by John Harrity, the Board of Directors voted to approve Resolution 10. None opposed or abstained. Motion approved unanimously.

8. Executive Sessions – Real Estate Negotiations

- John Harrity motioned to begin the executive session for the purposes of a discussion on real estate negotiations as publicity could cause a price increase and Steve Meier seconded. The executive session began at 10:51 am within a separate conference line. Bryan Garcia muted all participants in the public GoToMeeting conference and paused the recording.
- Binu Chandry motioned to return to the public GoToMeeting and Brenda Watson seconded. Participants were unmuted and the recording of the public GoToMeeting conference was resumed at 11:10 am.
- John Harrity praised Eric Shrago's work and effort to find the great spaces presented.

<u>Resolution #11</u>

WHEREAS, the leases on the Green Bank's offices in Rocky Hill and Stamford expire on December 31, 2020;

WHEREAS, staff having engaged CB Richard Ellis who have guided the organization's search for new office space, have identified office space at:
• 75-85 Charter Oak Avenue, Hartford CT
• 700 Canal Street, Stamford, CT;

WHEREAS, on June 16, 2020, the Budget and Operations Committee recommended that the Board of Directors authorize Green Bank staff to negotiate and enter into leases with the owners of the aforementioned buildings provided they are consistent with the financial terms presented to this committee today in the memorandum dated June 12, 2020;

NOW, therefore be it:

RESOLVED, the Board of Directors authorizes Green Bank staff to negotiate and enter into leases with the owners of the aforementioned buildings provided that the financial terms of those leases not exceed those presented to the Board today in the memorandum dated June 19, 2020.

Upon a motion made by Brenda Watson and seconded by John Harrity, the Board of Directors voted to approve Resolution 11. None opposed or abstained. Motion approved unanimously.

9. Other Business

- No other business.

10. Adjourn

Upon a motion made by John Harrity and seconded by Brenda Watson, the Board of Directors Meeting adjourned at 11:14 am.

Respectfully submitted,

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Lonnie Reed, Chairperson

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CONNECTICUT GREEN BANK

Memo

To: Board of Directors of the Connecticut Green Bank

From: Lucy Charpentier, Bryan Garcia, Selya Price, and Eric Shrago

Cc Mackey Dykes, Brian Farnen, and Bert Hunter

Date: July 24, 2020

Re: Incentive Programs – Program Performance towards Targets for FY 2020 – Preliminary

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Overview

As reflected in the Connecticut Green Bank's (the Green Bank) Comprehensive Plan for FY 2020 and Beyond[1], the Green Bank updated its organizational structure to reflect two business units: Incentive Programs and Financing Programs. The Incentive Programs business unit includes programs previously included under the former Infrastructure Sector Programs and Residential Financing Programs, namely the Residential Solar Investment Program (RSIP), Smart-E and Solar for All.

The former Infrastructure Sector and Residential Financing Programs took direction from Public Act 11-80 (PA 11-80), *An Act Concerning the Establishment of the Department of Energy and Environmental Protection and Planning for Connecticut's Energy Future*, subsequent legislation expanding RSIP and creating the Solar Homeowner Renewable Energy Credit (SHREC)[2], and the Comprehensive Energy Strategy (CES) released by the Department of Energy and Environmental Protection (DEEP) with the goal of delivering cleaner, cheaper and more reliable sources of energy through the deployment of in-state renewable energy sources.[3]

With respect to infrastructure, PA 11-80 requires that the Green Bank develop and implement several programs to support the deployment of solar photovoltaic (PV), combined heat and power (CHP), and anaerobic digester (AD) technologies. Due to the Connecticut General Assembly's reappropriation of monies from the Clean Energy Fund and RGGI to the General Fund, affecting FY 2018-2019, the Green Bank scaled back its programs including the termination of the CHP and AD pilots. With respect to residential financing, PA 11-80 requires that the Green Bank develop and implement several programs to finance and otherwise support clean energy investment in residential projects to promote deep energy efficiency retrofits, renewable energy deployment, and fuel and equipment conversions in single-family and multifamily homes across the state.

FY 2020 Incentive Program targets and performance are focused on the Residential Solar Investment Program (RSIP) and related activities, and residential financing activities associated with the single-family market, including Smart-E and Solar for All. These programs are grant or

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[1] https://ctgreenbank.com/wp-content/uploads/2020/06/Green-Bank_Revised-Comprehensive-Plan_062620.pdf

[2] PA 15-194, PA 16-212 and PA 19-35, amended Connecticut General Statute (CGS) Section 16-245ff to require that not more than 350 MW (updated from 300 MW) of new residential solar PV be deployed in Connecticut on or before December 31, 2022, and enabled cost-recovery of RSIP administrative costs through the sale of SHRECs to the EDCs.

[3] https://portal.ct.gov/DEEP/Energy/Comprehensive-Energy-Plan/Comprehensive-Energy-Strategy

subsidy program(s) (including credit enhancements – interest rate buydowns and loan loss reserves) that deploy clean energy, while at the same time cost recovering the expenses associated with these programs within the business unit – including, but not limited to, incentives, administrative expenses, and financing expenses, as well as loan loss reserves on the balance sheet.

For program descriptions and information on the Total Addressable Market and Serviceable Addressable Market (SAM), please see the FY 2020 and Beyond Comprehensive Plan[4].

Performance Targets and Progress

With respect to the Comprehensive Plan approved by the Board of Directors of the Green Bank on July 18, 2019 and revised on January 24, 2020,[5] the following are the performance targets for FY 2020 and progress made to targets for the Incentive Programs (see Table 1) as of June 30, 2020.

Table 1. Program Performance Targets and Progress Made to the Comprehensive Plan for FY 2020

Key Metrics	Program Performance Revised Targets (as of 1/24/2020)	Program Progress[6]	% of Goal
Capital Deployed[7]	$220,032,000	$223,765,865	102%
Investment at Risk[8]		$21,328,853	
Private Capital[9]		$224,284,948	
Deployed (MW)	60	61.5	103%
# of Loans/Projects	7,545	7,992	106%
Leverage Ratio		10.5	

In summary, for Incentive Programs in FY 2020, there were 7,992 projects (achieving 106% of the goal) requiring $224M of investment (achieving 102% of the goal) that led to the deployment of 61.5 MW of clean energy (achieving 103% of the goal), that delivered a leverage ratio of 10.5 for private to public funds invested.

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[4] See the FY2020 and Beyond Comprehensive Plan click here
[5] For mid-year revisions to budget and targets, see "Q2 Progress to Targets" memo of January 24, 2020 click here
[6] Includes only closed transactions
[7] Capital Deployed is used to measure Investment actuals to targets and it includes fees related to financing costs and adjustments for Fair Market Value which are not included in the Gross System Cost. It represents: the Fair Market Value for Commercial/Residential Leases, the Amount Financed or Gross System Cost (whichever is greater) for CPACE, the Amount Financed for Residential financing products and the Gross System Cost for all other programs.
[8] Includes funds from the Clean Energy Fund, RGGI allowance revenue, and other resources that are managed by the Connecticut Green Bank that are committed and invested in subsidies, credit enhancements, and loans and leases
[9] Private Investment is based on the Gross System Cost and includes adjustments related to financing costs or Fair Market Value.

Executive Summary for the Incentive Programs

Residential Solar Investment Program (RSIP)

- Despite slower than usual spring months due to the COVID pandemic shut down, hence lower than usual volume in Q4 2020, project volume and capacity in FY20 were high enough through Q3 FY20 to finish at levels comparable to FY19, the highest volume fiscal years since inception of RSIP in FY12. See Figure 1 and Table 3 for annual RSIP deployment by fiscal year.
- Overall RSIP milestones as of the end of FY20 are:
  - Approximately 332 MW or 41,570 projects have been approved through RSIP since FY12, with over 297 MW or 37,343 projects completed, or approximately 95% approved and 85% completed toward the 350 MW public policy target. RSIP is estimated to reach 350 MW of approved projects in October 2020.
  - Approved projects since FY12 to date are approximately 25% EPBB and 75% PBI.
  - Total investment in RSIP has reached $1.25 billion, with Green Bank= leveraging $1.1 billion in private capital by investing nearly $144 million, a leverage ratio of over 8.7 for the program through FY20.
- The Green Bank team provided input on residential solar PV and battery storage benefits and costs and study design into docket 19-06-29, the DEEP and PURA Joint Proceedings on the Value of Distributed Energy Resources (DER), pursuant to PA 19-35, which required a study on the value of DER to be initiated by DEEP and PURA by July 2019 and completed by July 2020.
- With support from an EM&V partner, Guidehouse (formerly Navigant Consulting), the team has been working on a program proposal (due July 31, 2020) in response to the Request for Program Design Proposals (RFPD) under PURA's Distribution System Planning Docket, 17-12-03RE03, for a battery storage incentive program to complement deployment of residential solar PV and to contribute to the state's peak load reduction goals.
- The Green Bank continues solar PV soft cost reduction efforts through its leadership in Sustainable CT as well as in collaboration with SolarConnecticut (SolarConn), the state's solar PV industry trade group. SolarConn has led the effort to encourage solutions such as remote permitting applications and virtual/video inspections that would enable municipalities to continue operations during the pandemic while continuing these developments post-pandemic.
- The federal Department of Energy (DOE) grant, "State Strategies for Solar Adoption in Low-and-Moderate Income Communities," led by the Clean Energy States Alliance (CESA), awarded in FY18 for three years, has continued to support Green Bank efforts to encourage adoption of solar PV among LMI households and communities of color. The grant received a no-cost extension through December 2020.
- A second DOE-funded grant, "Bringing LMI Solar Financing Models to Scale", also led by CESA, began in FY20 and will provide funding for three years to help accelerate widespread adoption of a residential rooftop solar PV deployment model among LMI single-family homes throughout the country – the Green Bank in partnership with Inclusive Prosperity Capital (IPC) will provide advisory support on this project.

Energize CT Smart-E Loan

- The Smart-E Loan exceeded its targets for FY20, in large part due to steady, high volume from the HVAC industry. Solar volume continued to be low as the market now has numerous solar loans and alternate financing options; however, one contractor continued a partnership with a Smart-E lender to offer interest rate buydowns, which resulted in dozens of projects throughout the year.
- In partnership with Michigan Saves, Inclusive Prosperity Capital ("IPC") completed the development of a new financing web platform called the National Green Energy Network, or "NGEN." CT Green Bank's Smart-E Loan was the first financing program to go live on the platform in July 2019, with Michigan's program launching in Fall 2019. IPC has been working with another state energy office who plans to become the first non-CT or Michigan program on the platform in FY21. Green Bank contributed budget to the development of the platform and will share in any eventual license fee revenue on a pro rata basis.
- In September 2019, two new measures were added to the list of 40+ improvements that can be financed using a Smart-E Loan: asbestos and mold removal. Homeowners can finance up to $25,000 to address these measures, considered health and safety barriers for completing deeper energy saving projects, as long as a nexus to energy was proven (e.g., completing a home energy assessment or financing a second qualifying measure). Two "health and safety" Smart-E Loans closed in FY20, one loan for asbestos removal only, another for asbestos removal paired with an HVAC upgrade.
- The number of credit-challenged Smart-E loans remains low due to COVID-19 stalling efforts for contractor engagement.
- COVID-19 impacts on Smart-E volume were noticeable, with a 43% drop in closed loan volume between February and March 2020 being the most significant. Volume between March – June ran about 27% below the same period last year. While lower than normal, HVAC projects were submitted steadily, as the industry was deemed essential and did not experience the same negative effects as the home performance industry. Closed loan volume rebounded exponentially in June 2020, with 91 closed loans – the highest volume month of FY20.
- The April 1st launch of a special 2.99% financing offer for heat pumps, battery storage and electric vehicle charging stations was postponed due to COVID-19. Following guidance from the Governor's Office, public health officials and DEEP, the launch was rescheduled for July 1st to support the re-opening of the state's clean energy economy and getting contractors back to work.

PosiGen Solar for All

- The PosiGen Solar for All partnership successfully adjusted sales, staff, and operations in response to the COVID pandemic, avoiding the loss of sales and staff incurred by many other companies. Despite major industry delays, the program reached the fiscal year target for closed projects. The addition of a fourth system size of 3.7 kW enabled smaller project homes to participate in the program and capture solar savings and likely resulted in the slight shortfall in capital deployed and MW targets.

The following are brief descriptions of the progress made under the last comprehensive plan for the Incentive Programs:

Residential Solar Investment Program (RSIP)
$16.4 million in subsidies[10] from the Green Bank has attracted $212.2 million of funds from other sources.

Table 2. RSIP Overview for FY 2020

Program Data	**Submitted but not Closed[11]**	**Closed[12]**	**Total**
Projects	285	7,365	7,650
Installed Capacity (MW)	2.3	62.0	64
Lifetime Clean Energy Produced (MWh)	65,432	1,751,911	1,817,343
Annual Combined Energy Generated & Saved (MMBtu)	8,930	239,101	248,031
Subsidies ($'s)	$631,795	$15,748,853	$16,380,648
Credit Enhancement ($'s)	$0	$0	$0
Loans or Leases ($'s)	$0	$0	$0
Total Green Bank Investment ($'s)	$631,795	$15,748,853	$16,380,648
Private Capital ($'s)	$8,325,454	$202,784,232	$211,109,686
Direct Job Years	35	792	827
Indirect & Induced Job Years	46	1,035	1,081
Lifetime Tons of CO2 Emissions	36,166	936,399	972,565

Figure 1 provides historical perspective on Connecticut's residential solar PV market from fiscal year (FY) 2005 through FY 2020, based on projects incentivized through RSIP from FY 2012 through FY 2020 and before that through the Connecticut Clean Energy Fund (CCEF), the Green Bank's predecessor organization. The average RSIP incentive was reduced steeply as shown by the lower/green portion of the bars in the chart, while the average net cost to the customer shown in the upper/black portion of the bars has stayed roughly stable, between $3.00-3.30/W from FY17-FY20, increasing slightly each year due to several factors (e.g., federal tariffs on equipment, rising customer acquisition costs, rising costs of doing business). Similarly, installed costs have remained stable from FY17-FY20, between $3.48-3.55/W (see Table 3). Comparing FY 2005 to FY 2020, the average installed cost decreased 56% from $8.09/W to $3.55/W and the average RSIP incentive decreased 94% from $4.47/W to $0.26/W, while deployment increased over 50,000% from 122 kW in FY 2005 to 61.5 MW in FY 2020. Incentives were reduced most steeply with the inception of the Green Bank in FY 2012, 84% from $1.67/W in FY 2012 to $0.26/W in FY 2020 (as compared to 51% from FY 2005 to FY 2011). As a percentage of installed cost, incentives have decreased from 32% on average in FY12 to 7.3% in FY20. Since FY 2012, installed costs have decreased 32% from $5.20/W to $3.55/W and deployment grew over 2100% from 2.8 MW in FY 2012 to 61.5 MW in FY 2020.

[10] Note the distribution of EPBB and PBI and the 6-year payout of the PBI.
[11] This represents projects that are currently approved but not closed. It does not include projects that were approved but have since closed.
[12] Approximately 85% of projects approved result in project completions.

Figure 1. RSIP Historical Installed Costs, Incentives, Net Customer Cost, Installed Capacity, FY 2005-2020

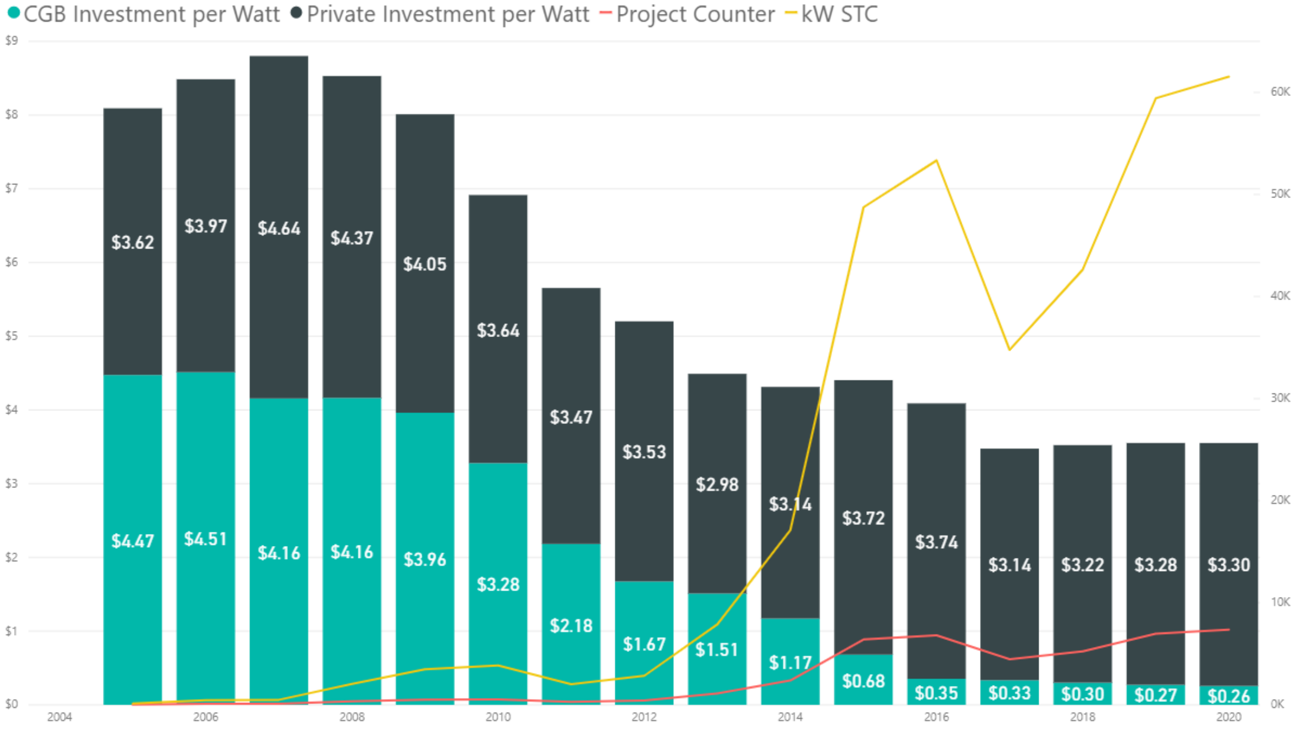


Table 3. RSIP Historical Installed Costs, Incentives, Net Customer Cost, Installed Capacity, FY 2005-2020

YearFiscal	CGB Investment per Watt	Private Investment per Watt	Total Investment per Watt	Project Counter	kW STC
2005	$4.47	$3.62	$8.09	31	122.25
2006	$4.51	$3.97	$8.49	100	447.58
2007	$4.16	$4.64	$8.80	95	491.55
2008	$4.16	$4.37	$8.53	344	2,045.87
2009	$3.96	$4.05	$8.01	504	3,490.49
2010	$3.28	$3.64	$6.92	529	3,846.88
2011	$2.18	$3.47	$5.65	287	2,026.70
2012	$1.67	$3.53	$5.20	413	2,844.79
2013	$1.51	$2.98	$4.49	1,109	7,889.85
2014	$1.17	$3.14	$4.31	2,382	17,125.11
2015	$0.68	$3.72	$4.40	6,397	48,748.72
2016	$0.35	$3.74	$4.09	6,804	53,336.68
2017	$0.33	$3.14	$3.48	4,467	34,777.45
2018	$0.30	$3.22	$3.52	5,234	42,630.97
2019	$0.27	$3.28	$3.55	6,971	59,432.71
2020	$0.26	$3.30	$3.55	7,365	61,535.35

Project approvals were strong in FY20 overall, but in particular through Q3 FY20 (until the market was impacted by the COVID pandemic). Despite significant impacts to the market starting in March 2020 and into Q4 FY20, the following factors contributed to high overall project volume in FY20 for the solar PV market.

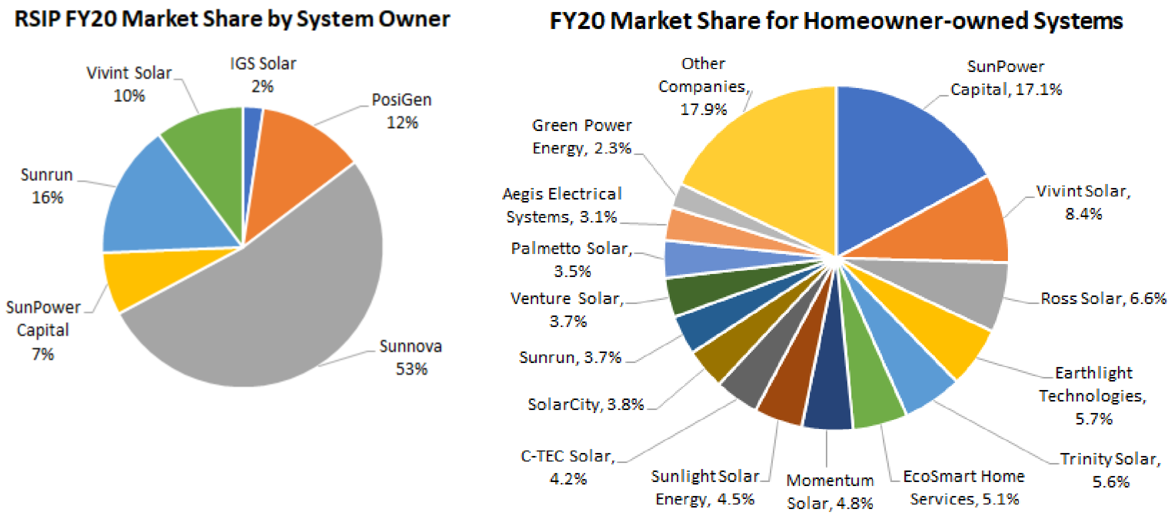
- RSIP incentive levels were reduced with the approval of Step 15 by the Board of Directors in July 2019, but not steeply enough to impact project volume. Step 15 levels represented 10%, 15%, and 10% reductions for EPBB, PBI, and LMI PBI projects respectively, with no further reductions in FY20, thereby providing market continuity.
- The anticipated end of net metering, which had been scheduled to take place at the end of RSIP, but which was delayed until December 31, 2021 by PA 19-35.
- The scheduled step-down in the Federal Investment Tax Credit (ITC) from 30% to 26% starting in 2020, which will be followed by a step down to 22% in 2021, and a final step down to 0% for homeowner-owned projects and 10% for third-party owned projects in 2022.
- Another mild winter allowing for higher industry activity.
- Continued growth in the strength and number of local and national solar PV companies in Connecticut through Q3 FY20.
- Despite significant COVID impacts, the residential solar industry began adapting its sales and installation practices to allow for continued operation during the pandemic, albeit at a reduced level compared to usual spring and summer volume.
- Growth in the residential battery storage industry in New England and nationwide, helping to create new buzz for clean energy technology deployment.

RSIP is estimated to reach 350 MW possibly as early as October of 2020, after which time only net metering (and the federal ITC) would be available to support the solar PV market through December 31, 2021, unless an RSIP extension is considered and approved by the CT General Assembly, as proposed by staff and approved by the Green Bank Board of Directors at its April 24, 2020 Board meeting[13]. Beginning in 2022, a production based (per kWh) tariff compensation is anticipated to be offered to solar PV customers, based on the requirements stipulated by Section 7 in PA 18-50, amended by PA 19-35, and as developed and determined by PURA and stakeholders through continued docket processes.

Nearly 80% of FY20 RSIP projects are third party owned (TPO), led by Sunnova with approximately 53% of RSIP market share, following by Sunrun (16 %), PosiGen (12%), Vivint (10%), SunPower (7%), and IGS Solar (2%), as shown in Figure 2. The highest volume Installers of homeowner-owned projects collectively deployed approximately 20% of RSIP volume in FY20, with the top 15 deploying 82% of homeowner-owned projects, including SunPower, Vivint, Ross Solar (a ConEd Solutions Company), Earthlight, Trinity Solar, EcoSmart, Momentum Solar, Sunlight Solar, C-TEC Solar, SolarCity, Sunrun, and others Aegis, and Green Power Energy. Trinity Solar was RSIP's highest volume participant in FY20, having installed nearly 43% of RSIP projects in FY20, of which nearly 98% using third party financing and 2.5% were homeowner owned.

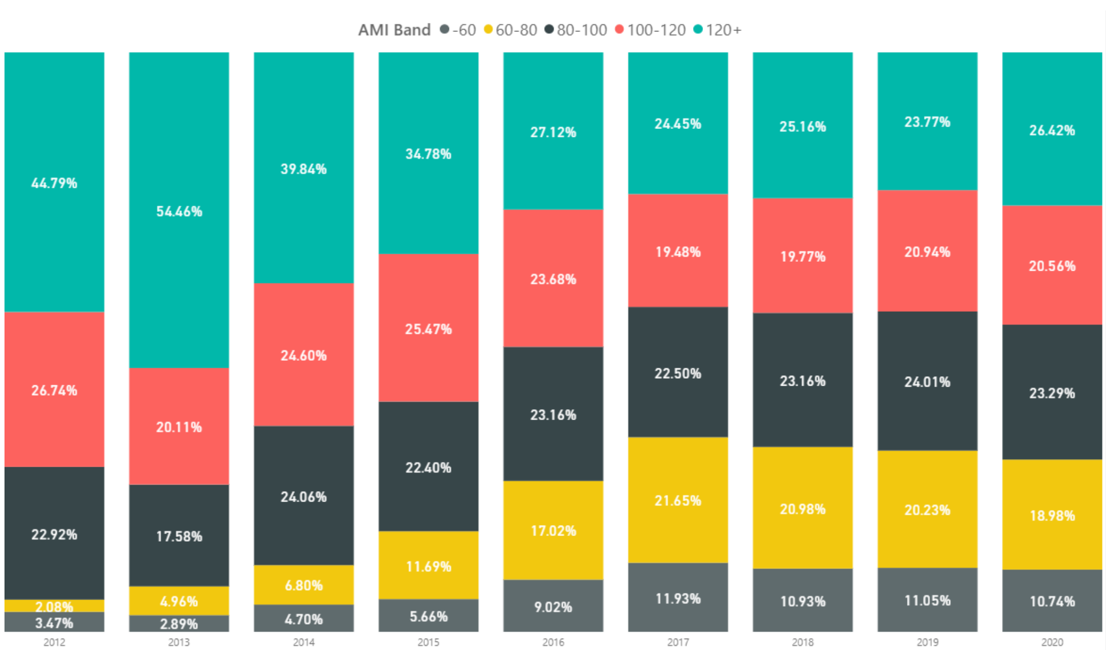
[13] https://ctgreenbank.com/wp-content/uploads/2020/05/board-of-directors-of-the-connecticut-green-bank_042420_redacted.pdf

Figure 2. FY 2020 RSIP Market Share by Third Party System Owner and by Installer (by project volume)



The RSIP continues to be successful in reaching low-and-moderate income (LMI) households. Adoption has largely been driven by the Green Bank's Solar for All partnership with PosiGen and complemented by efforts supported by a Department of Energy grant, "State Strategies for Solar Adoption in Low-and-Moderate Income Communities." Of the nearly 41,570 projects approved under RSIP through FY20, the Green Bank has in recent years made progress with respect to increased distribution of RSIP projects in LMI census tracks. Figure 3 shows approved RSIP projects by FY and Metropolitan Statistical Area (MSA) Area Median Income (AMI) Band. Nearly 50% of RSIP projects in FY17-20 were deployed in low-to-moderate income (LMI) census tracts (AMI<100%), having increased from just over 20% in FY12.

Figure 3. Distribution of Approved RSIP Projects by FY and by Metropolitan Statistical Area (MSA) Area Median Income (AMI) Bands



For a breakdown of RSIP project volume and investment by census tracts categorized by Area Median Income (AMI) bands and Distressed Communities as designated by DECD, see Tables 4 and 5, respectively. It should be noted that RSIP is not an income targeted program.

Table 4 illustrates that RSIP was slightly below parity with respect to deployment among LMI census tracts. For example, while the <60% AMI Band represents 11% of 1-4 unit owner-occupied households (OOH), the <60% AMI Band represents 9% of approved RSIP projects. Similarly, 17% of RSIP projects are deployed in the 60-80% AMI Band while 19% of OOH are in the 60-80% band. The 80-100% AMI Band has about 23% of projects, and 23% of OOH. The 100-120% AMI Band and highest income band, 120%+, are both slightly overrepresented in RSIP versus OOH. Table 5 shows that RSIP deployment is under-represented in distressed communities in which 25% of all RSIP projects are installed, while distressed communities account for 33% of OOH.

Table 4. RSIP Closed Activity in Metropolitan Statistical Area (MSA) Area Median Income (AMI) Bands

MSA AMI Band	FY 2020 Project Units	% of Total	FY 2020 Investment	% of Total	Cumulative Project Units	% of Total	Cumulative Investment	% of Total
<60%	686	11%	$16,156,205	9%	3,691	9%	$91,938,940	8%
60%-80%	1,212	19%	$31,366,031	17%	6,816	17%	$183,109,930	15%
80%-100%	1,487	23%	$43,872,525	23%	9,221	23%	$275,660,197	23%
100%-120%	1,313	21%	$40,257,770	21%	8,804	22%	$277,475,597	23%
>120%	1,687	26%	$58,230,479	31%	11,505	29%	$395,866,227	32%
Total	**6,385**	**100%**	**$189,883,010**	**100%**	**40,037**	**100%**	**$1,224,050,891**	**100%**

Table 5. RSIP Closed Activity in Distressed Communities

Distressed Designation	FY 2020 Project Units	% of Total	FY 2020 Investment	% of Total	Cumulative Project Units	% of Total	Cumulative Investment	% of Total
Distressed	2,398	33%	$62,356,698	29%	10,396	25%	$285,317,118	23%
Not Distressed	4,950	67%	$155,698,137	71%	30,604	75%	$966,905,599	77%
Total	**7,348**	**100%**	**$218,054,835**	**100%**	**41,000**	**100%**	**$1,252,222,717**	**100%**

While the RSIP has been effective in reaching LMI households, Green Bank has also investigated whether the RSIP has been successful in reaching communities of color (i.e., Black and Hispanic households). When examining solar deployment by the racial and ethnic makeup of the census tract, the analysis demonstrated that RSIP has been very successful in reaching communities of color. As of the study conducted in FY19, on a per OOH basis, there were 86% more RSIP installations in majority Black neighborhoods, 18% more in majority Hispanic neighborhoods, and 20% more in No Majority race neighborhoods as compared to majority White neighborhoods – see Table 4 to compare % OOH vs % of RSIP for AMI Bands of <100%.

A report on this analysis titled "Sharing Solar Benefits" was published in May 2019.[14]

Table 6. Owner-Occupied Housing and RSIP Distribution by Race/Ethnicity and Income

Census Tract Income Level (AMI Band)	Majority Hispanic		Majority Black		Majority White		No Majority Race	
	% of OO Homes	% of RSIP	% of OO Homes	% of RSIP	% of OO Homes	% of RSIP	% of OO Homes	% of RSIP
<60%	30.3%	24.91%	12.8%	22.41%	18.8%	14.58%	38.0%	38.09%
60%-80%	10.8%	13.04%	5.7%	7.68%	62.7%	56.04%	20.7%	23.24%
80%-100%	1.2%	1.57%	2.9%	4.48%	89.7%	87.94%	6.3%	6.01%
100%-120%	--	--	--	--	95.0%	95.04%	5.0%	4.96%
>120%	--	--	--	--	96.1%	95.14%	3.9%	4.86%
Grand Total	3.6%	4.11%	2.1%	3.77%	85.3%	81.81%	9.0%	10.31%

An emerging market is residential battery storage installed with solar PV. Approximately 226 RSIP projects have included battery storage through FY20, about 29% in FY20 and almost all in the past three fiscal years. The majority of projects use Tesla PowerWall battery storage equipment, though other technology equipment is beginning to gain traction. As previously noted, the Green Bank will be submitting a proposal under the PURA Distribution System Planning docket, 17-12-03RE03, for a battery storage incentive program.

As a requirement to receive the RSIP incentive, all residential solar PV customers must have an energy audit performed on their home to encourage adoption of energy efficiency measures along with solar PV, preferably the utility-administered Home Energy Solutions (HES) audit, but with other options if needed.[15] RSIP-wide, an estimated 90% of audits performed were either HES audits or DOE Home Energy Scores (HES). In FY20, 95% of audits were either HES or DOE HES. In FY20, the COVID pandemic resulted in a shutdown of HES services for several months; allowance was provided in RSIP for customers to sign a form that would allow them to have the energy audit performed within six months of HES resuming services.

An area of ongoing importance is increasing the access and inclusivity of clean energy. Building off of work conducted under several U.S. Department of Energy (DOE) funding opportunities over the past eight years, the Green Bank continues to be active in initiatives that expand solar PV access in underserved communities. Under two DOE grants, the Green Bank is working to increase the state's low-and-moderate (LMI) solar market and scale up strategies that increase affordability for LMI households. Under the first grant to expand the state LMI market, the Green Bank is developing a model to integrate housing, health, and energy service delivery to address in-home health threats and reduce energy burdens through solar plus energy efficiency. In addition, the Green Bank is actively participating in PURA docket 19-07-01 ("Statewide Share Clean Energy Facility Program") to develop a strong, statewide shared solar program to expand

[14] ctgreenbank.com/wp-content/uploads/2019/05/Sharing-Solar-Benefits-May2019.pdf

[15] Non-HES audits may be performed by Building Performance Institute (BPI) certified auditors, Home Energy Rating System (HERS) raters, other certified energy managers or were exempt due to being new construction or having a health and safety exemption.

access. Lastly, the Green Bank continues to support and expand the Solar for All program to bring solar and energy efficiency to LMI communities

Under the second grant to scale up strategies that increase affordability, the Green Bank supports a public-sector learning network in replicating the Solar for All program in additional LMI markets. The model will accelerate the adoption of solar and energy efficiency solutions for single-family LMI homes by providing financing templates, market insights, and development guidance.

Energize CT Smart-E Loan

A credit enhancement program that uses a loan loss reserve to attract private capital from local credit unions and community banks. The product provides low interest (i.e. 4.49-6.99%) unsecured loans at long terms (i.e. between 5 to 20 years) for technologies that are consistent with the goals of the Comprehensive Energy Strategy.

Table 7. Energize CT Smart-E Loan Overview for FY 2020

Program Data	Approved[16]	Closed	Total
Projects	210	737	947
Installed Capacity (MW)	0.0	0.9	1
Lifetime Clean Energy Produced (MWh)	678	177,844	178,522
Annual Combined Energy Generated & Saved (MMBtu)	107	27,648	27,755
Subsidies ($'s)	$0	$0	$0
Credit Enhancement ($'s)	$0	$0	$0
Loans or Leases ($'s)	$0	$0	$0
Total Green Bank Investment ($'s)	$0	$0	$0
Private Capital ($'s)	$2,858,375	$11,545,332	$14,403,707
Direct Job Years	1	59	60
Indirect & Induced Job Years	1	76	77
Lifetime Tons of CO2 Emissions	343	93,000	93,343

Table 8. Energize CT Smart-E Loans by Channel

Smart-E Loan Channel	Closed	% of All Loans
Health and Safety	1	0%
Home Performance	56	8%
HVAC	571	77%
Solar	92	12%
Unknown[17]	17	2%
Total	**737**	**100%**

[16] This represents projects that are currently approved but not closed. It does not include projects that were approved but have since closed.

[17] Channel not known due to trailing documentation/timing of data pull.

Table 9 Energize CT Smart-E Credit Scores

Credit Ranges									
Unknown	580-599	600-639	640-679	680-699	700-719	720-739	740-779	780+	Grand Total
2	8	32	70	87	86	78	190	184	737
0%	1%	4%	9%	12%	12%	11%	26%	25%	100%

For a breakdown of Smart-E loan volume and investment by census tracts categorized by Area Median Income (AMI) bands and Distressed Communities as designated by DECD, see Tables 10 and 11. It should be noted that Smart-E is not an income targeted program and only in the second half of FY18 began offering the expanded credit-challenged version of the program, opening new opportunities to partner with mission-oriented lenders focused on reaching consumers in underserved lower income markets.

Table 10. Smart-E Loan Closed Activity in Metropolitan Statistical Area (MSA) Area Median Income (AMI) Bands

MSA AMI Band	FY 2020 Project Units	% of Total	FY 2020 Investment	% of Total	Cumulative Project Units	% of Total	Cumulative Investment	% of Total
<60%	58	8%	$690,132.91	7%	318	7%	$3,888,142	6%
60%-80%	70	9%	$772,389.19	8%	509	11%	$6,551,830	10%
80%-100%	99	13%	$1,220,927.81	13%	683	15%	$9,247,150	14%
100%-120%	191	26%	$2,697,072.34	29%	1,062	24%	$16,596,593	24%
>120%	270	37%	$3,943,785.77	42%	1,875	42%	$31,576,885	47%
Total	**737**	**100%**	**$9,324,308**	**100%**	**4,447**	**100%**	**$67,860,601**	**100%**

Table 11. Smart-E Loan Closed Activity in Distressed Communities

Distressed Designation	FY 2020 Project Units	% of Total	FY 2020 Investment	% of Total	Cumulative Project Units	% of Total	Cumulative Investment	% of Total
Distressed	577	78%	$8,102,687.00	81%	3,852	85%	$59,930,923	87%
Not Distressed	159	22%	$1,890,579.00	19%	663	15%	$8,898,993	13%
Total	**736**	**100%**	**$9,993,266**	**100%**	**4,515**	**100%**	**$68,829,916**	**100%**

PosiGen Solar for All

A solar PV lease and energy efficiency financing program that focuses on the low to moderate income (LMI) market segment. Supported by $15 million subordinated debt investment from the Green Bank, into a total fund of $90 million to support over 3,066 homes, 620 homes in FY20 alone, with a focus on the low-to-moderate income market segment utilizing alternative underwriting approaches that examine factors such as bill payment history and bad debt and bank databases (see Table 9). In May 2019, the program updated their offering to combine the solar lease and optional energy efficiency agreement into a single agreement that provides solar installations and energy efficiency services to all customers. With the energy efficiency services no longer optional, more customers are receiving deeper efficiency work, ensuring overall savings. The Solar for All program has been successful at reaching the LMI market segment with 54% of homes verified as low incomes.

Table 12. PosiGen Solar for All Overview for FY 2020

Program Data	Approved[18]	Closed	Total
Projects	351	620	976
Installed Capacity (MW)	2.2	3.9	6.1
Lifetime Clean Energy Produced (MWh)	100,581	179,527	280,108
Annual Combined Energy Generated & Saved (MMBtu)[19]	14,809	26,375	41,184
Subsidies ($'s)	$0	$0	-
Credit Enhancement ($'s)	$0	$0	-
Loans or Leases ($'s)	$3,159,000	$5,580,000	8,739,000
Total Green Bank Investment ($'s)	$3,159,000	$5,580,000	8,739,000
Private Capital ($'s)	$5,157,913	$9,955,384	15,113,297
Direct Job Years	33	61	94
Indirect & Induced Job Years	43	80	123
Lifetime Tons of CO2 Emissions	55,594	99,207	154,801

For a breakdown of PosiGen Solar for All volume and investment by census tracts categorized by Area Median Income bands and Distressed Communities as designated by DECD, see Tables 13 and 14. As an income-targeted program, this table illustrates the degree to which the goal of serving consumers in lower income communities is being met.

Table 13. PosiGen Solar for All Closed Activity in Metropolitan Statistical Area (MSA) Area Median Income (AMI) Bands

MSA AMI Band	FY 2020 Project Units	% of Total	FY 2020 Investment	% of Total	Cumulative Project Units	% of Total	Cumulative Investment	% of Total
<60%	155	25%	$3,474,688	22%	943	31%	$24,591,486	29%
60%-80%	131	21%	$3,219,900	21%	738	24%	$20,119,266	24%
80%-100%	130	21%	$3,198,902	21%	543	18%	$14,955,070	18%
100%-120%	96	15%	$2,552,896	16%	420	14%	$12,355,397	15%
>120%	108	17%	$3,089,000	20%	422	14%	$12,798,397	15%
Total	**620**	**100%**	**$15,535,386**	**100%**	**3,066**	**100%**	**$84,819,616**	**100%**

[18] This represents projects that are currently approved but not closed. It does not include projects that were approved but have since closed.
[19] Includes an additional 15.0 MMBtu for each project for the HES audit.

Table 14. PosiGen Solar for All Closed Activity in Distressed Communities

Distressed Designation	FY 2020 Project Units	% of Total	FY 2020 Investment	% of Total	Cumulative Project Units	% of Total	Cumulative Investment	% of Total
Distressed	334	55%	$7,959,408	52%	1328	44%	$35,358,275	42%
Not Distressed	272	45%	$7,250,577	48%	1724	56%	$49,135,941	58%
Total	**606**	**100%**	**$15,209,985**	**100%**	**3052**	**100%**	**$84,494,216**	**100%**

For a breakdown of the use of the Green Bank resources for Incentive Programs, see table 15 below.

Table 15. Distribution of Green Bank Funds Invested in Projects and Programs through Subsidies, Credit Enhancements, and Loans and Leases for FY 2020

Program	Subsidies		Credit Enhancements		Loans and Leases		Total[20]
RSIP	$15,748,853	100%	$0	0%	$0	0%	$15,748,853
Smart-E Loan	$0	0%	$0	0%	$0	0%	$0
PosiGen	$0	0%	$0	0%	$5,580,000	100%	$5,580,000
Total	**$15,748,853**	**74%**	**$0**	**0%**	**$5,580,000**	**26%**	**$21,328,853**

Of these programs, the following is a breakdown of their contributions made thus far towards the performance target and the human resources required to implement them (see Table 16):

Table 16. Program Progress Made in FY 2020[21]

Key Metrics	RSIP	Smart-E	PosiGen	Total Program Progress[22]
Date of Program Approval	Feb-2012	Nov 2012	Jun 2015	
Date of Program Launch	Mar-2012	Nov 2013	Jul 2015	
Ratepayer Capital at Risk	$15,748,853	$0	$5,580,000	$21,328,853
Private Capital	$202,784,232	$11,545,332	$9,955,384	$224,284,948
Deployed (MW)	61.5	0.9	3.9	61.5
# of Loans/Installations	7,365	737	620	7,992
Lifetime Production (MWh)	1,751,911	177,844	179,527	1,970,788
Annual Combined Energy Generated & Saved (MMBtu)	239,101	27,648	26,375	274,223

[20] Totals are adjusted to remove projects that overlap programs.
[21] Includes only closed transactions
[22] Totals are adjusted to remove projects that overlap programs.

“Top 5” Headlines
The following are the “Top 5” headlines for the Incentive Programs:

Residential Solar Investment Program (RSIP)

1. Green bonds are on the rise – but are they as green as they seem?
   The Fifth Estate (August 20, 2019)
   For example the Connecticut Green Bank used “solar home renewable energy credits” backed by a Residential Solar Investment Program that were sold by homeowners to two energy utilities to finance solar installations.
   The bank issued AU$57 million of investment-grade rated ABS bonds to support about 14,000 of these residential solar photovoltaic systems capable of generating rated at around 105 MW.
2. Green Bonds Can Solve Our Climate Crisis
   Forbes (August 28, 2019)
   While not a utility, the Connecticut Green Bank completed an issuance of $38mm for Connecticut’s Residential Solar Investment Program (RSIP) in May. RSIP provides homeowners with a rebate of $0.46 cents per watt of solar installed in order to help offset the costs of installing residential solar power.
3. Connecticut Green Bank expands clean energy investment
   The Bond Buyer (April 23, 2020)
   Bryan Garcia and Eric Shrago of the Connecticut Green Bank, explain how ‘Green Liberty Bonds’ will expand clean energy investment. The small-denomination munis for retail, modeled after the World War II Series E bonds, are independently certified to fight climate change. Chip Barnett hosts.
4. New England business groups make case to suspend energy efficiency surcharges
   Energy Central (June 9, 2020)
   At least a half dozen agencies and organizations have filed objections to the motion, including the Connecticut Green Bank, which administers the state’s Clean Energy Fund. The bank argued that, contrary to the coalition’s assertions, some clean energy projects are continuing to move forward amid the pandemic.
5. Indiana’s just transition away from coal
   Nuvo (June 21, 2020)
   For example, the state could prioritize coal impacted communities in scaled-up jobs training programs and use fiduciary incentives through a green bank to channel investments and clean energy development into such communities. Additionally, it could emulate the Connecticut Green Bank’s Residential Solar Investment Program by providing these “homeowners with rebates and performance-based incentives designed to lower initial out-of-pocket costs” of rooftop solar installations.

Energize CT Smart-E Loan

1. Smart-E Lenders Eligible to Support the Paycheck Protection Program “Step Up” for Connecticut’s Clean Energy Industry
   Four Smart-E lenders (two community banks and two credit unions) offered support to program contractors with applying for PPP loans.
2. Smart-E Loan Top Performers for 2019 Honored
   18 Smart-E contractors were honored as “Top Performers” for 2019. Local press coverage highlighting contractors including:
   - Duncklee Inc.
   - Ryan F. Murphy Heating & Cooling LLC

- EcoSmart Home Services

3. Connecticut Green Bank offers financing for remediation of health and safety issues that prevent energy upgrades
   Two new healthy measures were added to the list of Smart-E eligible measures: asbestos and mold removal.
4. Loan Loss Reserves for EE Financing Programs
   Overview of loan loss reserves from the American Council for an Energy-Efficient Economy
5. Inclusive Prosperity Capital, Inc. Raises $25 Million for Clean Energy Investment in Underserved Markets
   IPC closed a $25M transaction with New York Green Bank, enabling IPC to deploy capital into underserved clean energy and energy efficiency markets across its entire portfolio of products.

PosiGen Solar for All

1. US Senate introduces legislation for National Climate Bank
   SmartCitiesWorld (July 9, 2019)
   With initiatives like the Solar for All program, the Connecticut Green Bank has increased solar adoption by more than 187 per cent in under-invested neighborhoods, showing clean energy investments can drive equity and inclusivity for those that need it most.
2. Clean Energy Beyond 'Trickle-Down Environmentalism
   Next City (August 1, 2019)
   Connecticut's Solar For All program targets solar and energy efficiency efforts in disadvantaged neighborhoods. A CT Green Bank report has shown the program is shrinking income and racial disparities in solar.
3. The Case For a US Federal Green Bank
   UCL Institute for Innovation and Public Purpose (August 28, 2019)
   Green investment banks can drive credit growth in markets that can make financing more inclusive — supporting renewable energy and energy efficiency products for lower and middle income housing, for example, as Connecticut Green Bank has done. They are a fiscally responsible mechanism for Green New Deal-style public mobilization.
4. Ares Infrastructure and Power Supports Growth of Provider of Low-Income Residential Solar Power
   ABL Advisor (March 6, 2020)
   PosiGen announced a new debt facility originated by the Ares Infrastructure and Power team and provided by Ares-managed funds and accounts. Along with the Connecticut Green Bank, the combined $100-million facility will increase PosiGen's ability to provide solar systems and energy efficiency upgrades to low-to-moderate income homeowners in Connecticut and New Jersey, while also building upon the company's success in its home state of Louisiana. Additionally, this debt facility will provide support for PosiGen's anticipated expansion into new states, including Illinois, Mississippi, Nevada, and California.
5. A prescription for a post-COVID economy: A national climate bank
   Salon (June 28, 2020)
   To address the gap, Connecticut Green Bank partnered with the solar company PosiGen to develop more accessible financing models and deploy sales teams in underserved areas, including majority black and brown neighborhoods. Today new solar installations are more evenly divided among zip codes above and below the state's median income.

Lessons Learned

Based on the implementation of the Incentive Programs thus far, the following are the key lessons learned:

Residential Solar Investment Program (RSIP)

- **The COVID pandemic has taught us that change can happen suddenly and unexpectedly**. The pandemic has created tremendous uncertainty in the near term for the U.S. (and global) economy, and certainly for the clean energy industry. It will be important for the industry to continue to adapt to mitigate impacts as well as accelerate innovation where possible, such as with remote sales, use of satellite and drone technology for site assessment, and remote permitting and virtual/video inspection at the municipal level. While the industry continues to adjust, the Green Bank has provided accommodation on the timing of energy audit and project completion submission requirements and is working to affect policy changes that could support the industry.
- **The policy and regulatory landscape in Connecticut has continued to be dynamic** in FY20 as in the past fiscal year and will continue to evolve over the near term as results from the DEEP/PURA value of DER study are finalized, as the PURA distribution system planning docket progresses including decisions on battery storage incentive programs, as it is seen whether an RSIP extension is considered by the legislature, as the Shared Clean Energy Facilities program develops (to support community solar projects), as the federal ITC continues to decrease, and as the industry approaches year 2022 when the tariff is slated to replace net metering. The Green Bank can continue to focus on the levers it has to provide sustained orderly development for residential solar PV, while continuing to provide informed input into legislative and regulatory forums that provide the opportunity to communicate the benefits of clean energy to the state of Connecticut – in particular grid benefits such as peak load reduction, reliability benefits, greenhouse gas emissions reduction and local economic development benefits.
- **With RSIP estimated to reach 350 MW of approved projects as early as October 2020, the Green Bank will need to focus on strategies that could help support the sustained orderly development of the residential solar PV industry, especially given the impact from COVID.**
    a. The Green Bank changed its position on whether an RSIP extension is needed because of the COVID crisis and has sought support from its Board of Directors and policymakers to provide a 100 MW extension to help the industry recover.
    b. The Green Bank has put significant effort into development of a battery storage incentive program proposal to be submitted to PURA in early FY21. Deployment of battery storage technology is critical for long term grid integration of solar PV, socializing the benefits of solar PV among all ratepayers, providing the grid reliability in demand from customers, and supporting the development of businesses that are well-positioned to deploy battery storage in combination with solar PV, as well as technology innovators and providers that are contributing to a growing clean energy economy.
    c. Continued support for deployment of clean energy among LMI customers through the Solar for All program, work on federal grants, development of SCEF projects, and other strategies to support the LMI market.
    d. Continued support for soft cost reductions through Sustainable CT, partnership with SolarConn, and collaboration with the state building office.
- **Working closely with RSIP contractors and system owners, SolarConn, and technology providers has been valuable in FY20 and will continue to be important**

over the coming transition years. With respect to solar PV and battery storage policy, regulation, development and administration of incentive programs and in supporting the solar PV industry through ongoing market transitions, it will continue to be critical to have dialogue with and input from solar companies as to how best support the industry.

- **The RSIP team will continue to collaborate with the Green Bank Operations team and consultants in FY20 to improve and standardize administrative processes.** Ongoing collaboration with operations, finance and accounting on REC monetization processes will continue to be critical.
- **Staff growth and hiring will continue to be important as programs evolve and develop.** Staff flexibility and growth, as well as hiring of new team members will be important to facilitate program transition and close-out in FY20 and beyond, as well as development of new programs.

Energize CT Smart-E Loan

- **Despite competition in the market, contractors continued using Smart-E.**
    - The solar financing market has blossomed in the last few years which has drawn local solar installers away from local products like the Smart-E Loan and to bigger national financing options. Some solar contractors still preferred the Smart-E Loan due to the contractor funded IRB option, no additional contractor fees, and the timeliness and transparency on payments they are owed. HVAC and home performance contractors and their customers prefer that Smart-E has no down payment requirement and that the loan has flexibility in eligible measures and underwriting criteria.
- **COVID-19 had varying impacts on Smart-E**
    - Smart-E's volume dropped over the past few months, but it was buoyed by the HVAC industry which remained operational in the colder winter and spring months, despite the pandemic stopping or significantly scaling back work like insulation, windows and even some solar. We continued to see a decreased, but steady, submission of traditional heating systems (boilers and furnaces) throughout the March – May timeframe. The re-opening of nearly all industries in June resulted in the highest month of closed loan volume for the fiscal year. Loan performance also stayed consistent with slight changes in delinquency and default rates and with only about 1% of loans requesting deferrals.

PosiGen Solar for All

- **PosiGen's successful transition to remote sales and project development keeps solar solutions available to combat COVID energy bills.** According to a Green Bank survey, almost half of the solar companies in the state furloughed employees and 40% laid employees off due to COVID. PosiGen transitioned all field staff to virtual sales with increased technology support, regular trainings, and full utilization of an online sales platform. PosiGen avoided staff losses and even continued hiring sales staff to meet the increased interest in energy saving solutions.

Incentive Programs FY 2021Targets

Of programs being implemented in the Financing Programs, the following is a breakdown of the key targets:

Table 17. Number of Projects, Capital Deployed, and Clean Energy Deployed (MW)

Program	# of Projects	Capital Deployed	Clean Energy Deployed (MW)
RSIP	2,824	$85,920,000	24.0
Battery Storage	400	$3,540,000	2.0
Smart-E Loan	270	$3,564,000	0.3
PosiGen Solar for All	177	$3,564,000	1.2
Total[23]	**3,462**	**$92,596,320**	**26.0**

For the Incentive Programs, there are 18.34 full time equivalent staff members supporting four (4) different products and programs.

[23] Totals are adjusted to remove projects that overlap programs.

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CONNECTICUT GREEN BANK

Memo

To: Board of Directors of the Connecticut Green Bank

From: Lucy Charpentier, Mackey Dykes, Bryan Garcia, Eric Shrago, and Nicholas Zuba

Cc Brian Farnen and Bert Hunter

Date: July 24, 2020

Re: Financing Programs – Program Performance towards Targets for FY 2020 – Preliminary

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Overview

Pursuant to Public Act 12-2, the Connecticut Green Bank ("Green Bank") launched the Commercial and Industrial Property Assessed Clean Energy (C-PACE) program in January 2013. C-PACE is a statutorily mandated program that was the primary commercial and industrial (C&I) financing product in the Green Bonds US Comprehensive Plan and the accompanying budgets. In addition to C-PACE, the Green Bank invests in and helps develop solar Power Purchase Agreement projects and, this year, sourced capital to enable the utility-run, Small Business Energy Advantage program to operate at a lower cost to ratepayers.

Public Act 11-80 (PA 11-80), *An Act Concerning the Establishment of the Department of Energy and Environmental Protection and Planning for Connecticut's Energy Future*, requires that the Connecticut Green Bank (Green Bank) develop and implement several programs to finance and otherwise support clean energy investment in residential projects to promote deep energy efficiency retrofits, renewable energy deployment, and fuel and equipment conversions in single-family and multifamily homes across the state.

For program descriptions and information on the Total Addressable Market and Serviceable Addressable Market (SAM), please see the FY 2020 and Beyond Comprehensive Plan.[1]

Performance Targets and Progress

With respect to the Comprehensive Plan approved by the Board of Directors of the Green Bank on July 18, 2019 and revised on January 24, 2020,[2] the following are the performance targets for FY 2020 and progress made to targets for the Financing Programs (see Table 1) as of June 30, 2020.

Table 1. Program Performance Targets and Progress Made to the Comprehensive Plan for FY 2020

Key Metrics	Program	Program	% of Goal

[1] See the FY2020 and Beyond Comprehensive Plan click here
[2] For mid-year revisions to budget and targets, see "Q2 Progress to Targets" memo of January 24, 2020 click here

	Performance Revised Targets (as of 1/24/2020)	**Progress**[3]	
Capital Deployed[4]	$69,378,000	$48,861,490	70%
Investment at Risk[5]		$7,932,305	
Private Capital[6]		$40,929185	
Deployed (MW)	17.6	7	40%
# of Loans/Projects	1,082	675	62%
Leverage Ratio		6	

In summary, for Financing Programs in FY 2020, there were 1,082 projects (achieving 62% of the goal) requiring $48.9M of investment (achieving 70% of the goal) that led to the deployment of 7 MW of clean energy (achieving 40% of the goal), that delivered a leverage ratio of 6:1 for private to public funds invested.

Executive Summary for the Financing Programs

C-PACE and C-PACE-backed Commercial Solar PPA

- C-PACE Program introduced improvements to its project diligence process to improve the experience for C-PACE Borrowers and contractors alike. This included prequalification services, a streamlined application and project development tools to help contractors manage and develop C-PACE financeable projects better.
- Developed and distributed a survey to 3rd party capital providers to determine ways the C-PACE Program can help better serve their needs to get more projects completed in the future. Some of their suggestions have been implemented in the latest changes to the Program Guidelines.
- Introduced a new C-PACE marketing campaign (ChargeUp CT) to help increase the number of C-PACE projects that include energy efficiency improvements and support state policy goals around increasing the adoption of alternative fuel vehicles.
- For second straight fiscal year, surpassed the Green Bank capital deployed goal for C-PACE. Continuing to meet this goal and build revenue-producing assets for Green Bank is a key component of the sustainability goal. This and previous fiscal years' work helped program achieve an operating profit for the first time in the program's history.

Commercial Solar PPA

- Built upon our relationship with Sunwealth, started in FY19, by selling eight more commercial solar PPA projects to them in FY20, against which $1M of secured debt was also deployed.

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[3] Includes only closed transactions

[4] Capital Deployed is used to measure Investment actuals to targets and it includes fees related to financing costs and adjustments for Fair Market Value which are not included in the Gross System Cost. It represents: the Fair Market Value for Commercial/Residential Leases, the Amount Financed or Gross System Cost (whichever is greater) for CPACE, the Amount Financed for Residential financing products and the Gross System Cost for all other programs.

[5] Includes funds from the Clean Energy Fund, RGGI allowance revenue, repurposed ARRA-SEP funds, and other resources that are managed by the Connecticut Green Bank that are committed and invested in subsidies, credit enhancements, and loans and leases.

[6] Private Investment is based on the Gross System Cost and includes adjustments related to financing costs or Fair Market Value.

- Started a new relationship with an asset owner called Skyview Ventures, resulting in the sale of seven commercial solar PPA projects to them in FY20, against which $1.5M of secured debt was deployed.
- Launched a new commercial solar secured lending product which allows CGB to deploy both construction and long term debt financing secured by projects that are developed by third parties, such as Skyview and Sunwealth. Having established this new product, CGB closed a $3M term lending facility with Skyview which would enable CGB to deploy capital against 27 commercial solar PPA projects in CT.
- By the end of FY20, CGB had reached very advanced stage negotiations with Inclusive Prosperity Capital to set up an on-going, sustainable platform to develop commercial solar PPA projects in CT that would see IPC has the long term asset owner and CGB as lender.
- CGB made steady progress in FY20 on the Lead by Example program to develop on-site solar for state entities:
    - Through a competitive tender process, CGB selected two contractors to install over 11 MW of projects across the CT Department of Corrections, Department of Administrative Services, and Department of Energy and Environmental Protection property portfolios. This is the culmination of over two years work with the state.
    - The next step, which is to run a competitive process for the *ownership* of the first tranche of LBE state solar projects, will be completed in FY21.
    - By establishing a precedential development process, CGB built on the first 11 MW of projects and identified a second tranche of 14 MW of projects across the CT Department of Transport and Technical Education and Career Systems portfolios. Renewable Energy Credit (REC) bids were submitted for the second tranche in July 2020.
- Leveraging the development experience of commercial solar and state solar, CGB has created the Solar Municipal Assistance Program (SolarMAP) to bring PPA projects to CT municipalities.
- In FY20, seven municipalities signed letters of intent to allow CGB to develop 5.4 MW of solar across 25 separate projects in CT. REC bids were submitted for SolarMAP projects in July 2020.

Small Business Energy Advantage (SBEA)

- Expanded the availability of capital for state and municipal customers, with projects limits increased to $1 million and no overall cap on how much the state can borrow through the program.

Multifamily Affordable Housing

- Funded and provided technical assistance to a mixed set of projects including 6 follow-on investments in previously funded projects. Projects included a mix of technologies including energy efficiency upgrades, solar, and a fuel cell (at the Cherry Street Lofts in Bridgeport).
- The follow-on investments have been for high impact projects that are being stabilized and preserved as affordable housing by funding energy and health and safety improvements. The CT Green Bank and our funding partners play a critical role as lenders of last resort in these projects.
- FY'20 had a strong showing of CPACE funded projects including 5 solar loans to a single portfolio owner as well as a 3rd advance for energy efficiency measures to the Cargill Falls Mill affordable housing project in Putnam, where CGB has previously funded the small-hydro installation running through this property.

- Four (4) of the funded properties were condo's or coops, sectors where CGB continues to provide significant funding and TA support, because of challenges securing condo and coop funding from other lenders.
- Closed one (1) health and safety loan in the amount of $47K, but were unable to use the EnergizeCT Health and Safety Revolving Loan Fund from DEEP. (Restrictions tied to existing debt made it too complicated to use the DEEP funds, so MacArthur PRI funds, administered by CGB partner Housing Development Fund (HDF) were used instead.)
- Funded two (2) solar PPA projects, which is a drop in count from previous years. Partnership with and support from CHFA and DOH in marketing this program has been the key to success in previous years. Because of leadership transitions, the necessary collaboration and support from CHFA and DOH was not available in FY'20.
- COVID-19 has strongly impacted Multifamily Program activity starting in the Feb/Mar timeframe. With many property owners and managers stretched thin dealing with this health crisis as well as uncertainty about rental incomes and financial stability, folks have retreated.
- Financial risks associated with COVID-19, specifically concern about non-payment of rents, also halted announcement and deployment of the expanded Loans Improving Multifamily Energy (LIME) Loan program to serve **ALL** multifamily properties in CT, including market rate properties and those with tenant paid utilities. This program is administered by partner Capital for Change (C4C) and is capitalized by CGB and other investors.

The following are brief descriptions of the progress made under the last comprehensive plan for the Financing Programs:

C-PACE and C-PACE-backed Commercial Solar PPA

Commercial Property Assessed Clean Energy (C-PACE) is an innovative financing program that is helping commercial, industrial and multi-family property owners access affordable, long-term financing for smart energy upgrades to their buildings.

Table 2. C-PACE and C-PACE-backed Commercial Solar PPA Overview for FY 2020

Program Data	Approved[7]	Closed	Total
Projects	14	45	59
Installed Capacity (MW)	2.1	6.1	8.2
Lifetime Clean Energy Produced (MWh)	57,310	246,312	303,622
Annual Combined Energy Generated & Saved (MMBtu)	12,027	23,744	35,771
Subsidies ($'s)	$0	$0	$0
Credit Enhancement ($'s)	$0	$0	$0
Loans or Leases ($'s)	$4,132,379	$4,747,067	$8,879,446
Total Green Bank Investment ($'s)	$4,132,379	$4,747,067	$8,879,446
Private Capital ($'s)	$8,937,162	$22,755,713	$31,692,875
Direct Job Years	51	104	155
Indirect & Induced Job Years	66	141	207

[7] This represents projects that are currently approved but not closed. It does not include projects that were approved but have since closed.

Lifetime Tons of CO2 Emissions	14	132,929	132,943

C-PACE has been used to fund projects in economically diverse locations across the state as reflected by Table 3 for Metropolitan Statistical Area (MSA) Area Median Income (AMI) and Table 4 for Distressed Communities as designated by DECD. It should be noted that C-PACE is not an income targeted program.

Table 3. C-PACE and C-PACE-backed Commercial Solar PPA Closed Activity in Metropolitan Statistical Area (MSA) Area Median Income (AMI) Bands

MSA AMI Band	FY 2020 Project Units	% of Total	FY 2020 Investment	% of Total	Cumulative Project Units	% of Total	Cumulative Investment	% of Total
<60%	12	27%	$9,030,644	33%	76	25%	$41,928,438	23%
60%-80%	8	18%	$6,581,407	24%	44	14%	$23,445,569	13%
80%-100%	6	14%	$2,318,096	9%	49	16%	$35,787,216	20%
100%-120%	4	9%	$2,815,444	10%	57	19%	$31,454,117	17%
>120%	14	32%	$6,419,737	24%	82	27%	$47,196,496	26%
Total	**44**	**100%**	**$27,165,328**	**100%**	**308**	**100%**	**$179,811,836**	**100%**

Table 4. C-PACE and C-PACE-backed Commercial Solar PPA Closed Activity in Distressed Communities

Distressed Designation	FY 2020 Project Units	% of Total	FY 2020 Investment	% of Total	Cumulative Project Units	% of Total	Cumulative Investment	% of Total
Distressed	18	40%	$6,871,727	25%	104	33%	$70,048,764	38%
Not Distressed	27	60%	$20,631,053	75%	214	67%	$115,458,132	62%
Total	**45**	**100%**	**$27,502,780**	**100%**	**318**	**100%**	**$185,506,896**	**100%**

Commercial Solar PPA

A third-party ownership offering that combines public and private funding through the Connecticut Solar Lease Program to provide Power Purchase Agreements (PPAs) for solar PV to creditworthy commercial and industrial, as well as nonprofit, municipal, and multifamily housing, end-users of electricity. This program supports solar PV projects between 50 kW - 2 MW in size – with an average size of 200 kW. Following a strategic decision not to enter into a new tax equity funding structure after the CT Solar Lease 3 fund closed in September 2018, Green Bank will continue to serve the market with our PPA product through Inclusive Prosperity Capital.

Table 5. Commercial Solar PPA Overview for FY 2020

Program Data	Approved[8]	Closed	Total
Projects	-	6	6
Installed Capacity (MW)	-	0.8	0.8

[8] This represents projects that are currently approved but not closed. It does not include projects that were approved but have since closed.

Lifetime Clean Energy Produced (MWh)	-	23,820	23,820
Annual Combined Energy Generated & Saved (MMBtu)	-	1,620	1,620
Subsidies ($'s)	$0	$0	$0
Credit Enhancement ($'s)	$0	$0	$0
PPAs ($'s)	$0	$329,908	$329,908
Total Green Bank Investment ($'s)	$0	$329,908	$329,908
Private Capital ($'s)	$0	$2,389,238	$2,389,238
Direct Job Years	-	8	8
Indirect & Induced Job Years	-	11	11
Lifetime Tons of CO2 Emissions	-	13,166	13,166

The Commercial Solar PPA program has been used to fund projects in economically diverse locations across the state as reflected by Table 6 for Metropolitan Statistical Area (MSA) Area Median Income (AMI) and Table 7 for Distressed Communities as designated by DECD. It should be noted that Commercial Solar PPA is not an income targeted program.

Table 6. Commercial Solar PPA Closed Activity in Metropolitan Statistical Area (MSA) Area Median Income (AMI) Bands

MSA AMI Band	FY 2020 Project Units	% of Total	FY 2020 Investment	% of Total	Cumulative Project Units	% of Total	Cumulative Investment	% of Total
<60%	1	33%	$281,548	14%	15	19%	$10,066,885	10%
60%-80%	0	0%	$0	0%	14	18%	$14,246,928	14%
80%-100%	1	33%	$329,908	17%	19	24%	$17,337,406	17%
100%-120%	1	33%	$411,840	21%	29	37%	$21,415,016	21%
>120%	2	67%	$951,925	48%	49	63%	$38,743,286	38%
Total	**3**	**100%**	**$1,975,220**	**100%**	**78**	**100%**	**$101,809,520**	**100%**

Table 7. Commercial Solar PPA Closed Activity in Distressed Communities

Distressed Designation	FY 2020 Project Units	% of Total	FY 2020 Investment	% of Total	Cumulative Project Units	% of Total	Cumulative Investment	% of Total
Distressed	1	17%	$329,908	12%	20	16%	$22,809,319	22%
Not Distressed	5	83%	$2,389,238	88%	107	84%	$79,744,127	78%
Total	**6**	**100%**	**$2,719,145**	**100%**	**127**	**100%**	**$102,553,445**	**100%**

Small Business Energy Advantage (SBEA)

The Green Bank has partnered with Eversource to provide capital for their lending through their SBEA program. SBEA provides audits, incentives and financing for energy efficiency projects at small businesses and municipal and state buildings. The customers get up to 4 year (7 in the case of the state) loans at 0% and they are repaid on their electricity bill.

Table 8. SBEA Overview for FY 2020

Program Data	Approved	Closed	Total
Projects	-	617	617
Loans or Leases ($'s)	$0	$1,011,807	$1,011,807
Total Green Bank Investment ($'s)	$0	$1,011,807	$1,011,807

Multifamily

Offerings for both the affordable and market rate multifamily segments include pre-development and term loan programs that enable property owners to assess, design, fund and implement energy measures and remediate related health and safety measures. Pre-development loan programs were funded by the $5 million program-related investment from the MacArthur Foundation through the Housing Development Fund (HDF), backed by a Green Bank repayment guaranty. Term loan programs include the Loans Improving Multifamily Energy (LIME) loan, Solar PPA program, and the ECT Health & Safety Revolving Loan program (ECT H&S RLF). LIME is offered by Capital for Change and supported by a FY'20 capital commitment of $3,000,000 from CGB as well as previous $3,500,000 of seed capital and $625,000 of ARRA-SEP and Green Bank funds for a loss reserve. Solar PPA options leverage the C&I sector programs. The ECT H&S RLF is supported by a $1.5MM grant from DEEP. During FY19 the DEEP H&S funds were transferred from Green Bank to IPC where this program is now administered. Limited Catalyst Loan Funds for flexible gap financing to support term loans using MacArthur Foundation funds, administered by Housing Development Fund are also available.

Table 9. Multifamily Term Financing Overview for FY 2020

Program Data	Approved[9]	Closed	Total
Projects	6	14	20
Installed Capacity (MW)	0.1	2	2.1
Lifetime Clean Energy Produced (MWh)	3,473	149,920	153,393
Annual Combined Energy Generated & Saved (MMBtu)	9,125	7,575	16,700
Subsidies ($'s)	$0	$0	$0
Credit Enhancement ($'s)	$0	$0	$0
Loans or Leases ($'s)	$0	$1,829,908	$1,829,908
Total Green Bank Investment ($'s)	$0	$1,829,908	$1,829,908
Private Capital ($'s)[10]	$26,002	$6,262,506	$6,288,508
Direct Job Years	21	30	51
Indirect & Induced Job Years	28	44	72
Lifetime Tons of CO2 Emissions	1,920	62,823	20

[9] This represents projects that are currently approved but not closed. It does not include projects that were approved but have since closed.
[10] This number includes energy and health and safety capital deployed.

Table 10. Multifamily Pre-Development Financing Overview for FY 2020

Program Data	Approved	Closed	Total
Projects	2	4	6
Installed Capacity (MW)	-	-	-
Lifetime Clean Energy Produced (MWh)	-	-	-
Annual Combined Energy Generated & Saved (MMBtu)	-	-	-
Subsidies ($'s)	$0	$0	$0
Credit Enhancement ($'s)	$0	$0	$0
Loans or Leases ($'s)	$0	$13,615	$13,615
Total Green Bank Investment ($'s)	$0	$13,615	$13,615
Private Capital ($'s)	$0	$984,421	$984,421
Direct Job Years	-	5	5
Indirect & Induced Job Years	-	7	7
Lifetime Tons of CO2 Emissions	-	-	-

Table 11. Multifamily Number of Units

	Approved[11]	Closed	Total
Affordable	577	1,139	1,716
Market Rate	170	114	284
Total # of Units	747	1,253	2,000

The CT Green Bank's Multifamily Program is predominantly focused on properties that serve low-to-moderate income (LMI) residents. The program is equally focused on multifamily properties serving low-and moderate-income residents in the more affluent communities of opportunity as it is on multifamily properties in lower income census tracts. This is aligned with the State of Connecticut's goals to encourage and support housing opportunities for low- and-moderate-income residents in communities of opportunity. (Connecticut is the most geographically segregated state in the nation, with most LMI and people of color concentrated in low-income urban communities.)

For a breakdown of the use of the Green Bank resources for Commercial, Industrial and Institutional Programs, see table 14X below.

Table 12. Distribution of Green Bank Funds Invested in Projects and Programs through Subsidies, Credit Enhancements, and Loans and Leases for FY 2020

Program	Subsidies		Credit Enhancements		Loans and Leases		Total[12]
C-PACE	$0	0%	$0	0%	$4,747,067	100%	$4,747,067

[11] This represents projects that are currently approved but not closed. It does not include projects that were approved but have since closed.
[12] Totals are adjusted to remove projects that overlap programs.

Commercial Solar PPA	$0	0%	$0	0%	$329,908	100%	$329,908
SBEA	$0	0%	$0	0%	$1,011,807	100%	$1,011,807
Multifamily H&S							
Multifamily Term	$0	0%	$0	0%	$1,829,908	100%	$1,829,908
Multifamily Pre-Development	$0	0%	$0	0%	$13,615	100%	$13,615
Total*	**$0**	**0%**	**$0**	**0%**	**$7,932,305**	**100%**	**$7,932,305**

Of these programs, the following is a breakdown of their contributions made thus far towards the performance target and the human resources required to implement them (see Table 15):

Table 13. Program Progress Made in FY 2020[13]

Key Metrics	C-PACE	Commercial Lease	SBEA	Multifamily Term[14]	Multifamily Pre-Dev	Total Program Progress[15]
Date of Program Approval	Sep-2012	Jun-2013	-	Oct 2013 – Jan 2017	Oct 2013 – Oct 2015	
Date of Program Launch	Jan-2013	Sep-2013	-	Oct 2013 – Jan 2017	Oct 2013 – Oct 2015	
Ratepayer Capital at Risk	$4,747,067	$329,908	$1,011,807	$1,829,908	$13,615	$7,932,305
Private Capital	$22,755,713	$2,389,238	$9,901,072	$6,262,506	$984,421	$40,929185
Deployed (MW)	6.1	0.8	-	2.0	-	7
# of Loans/Installations	45	6	617	14	4	675
Lifetime Production (MWh)	246,312	23,820	-	149,920	-	292,875
Annual Combined Energy Generated & Saved (MMBtu)	23,744	1,620	-	7,575	-	26,088

"Top 5" Headlines

The following are the "Top 5" headlines for the Financing Programs:

C-PACE and C-PACE-backed Commercial Solar PPA

1. Connecticut's C-PACE Program Reached $163 Million in Clean Energy Financing for 2019
   ENVIRONMENT + ENERGY LEADER
   Connecticut's Commercial Property Assessed Clean Energy (C-PACE) program surpassed 300 closed projects at the end of 2019, reaching a total of more than $163

[13] Includes only closed transactions

[14] Multifamily is a collection of individual programs, each with their own approval and launch dates.

[15] Totals are adjusted to remove projects that overlap programs.

million in clean energy financing investment in local businesses. PACENation, the non-profit industry group that promotes Property Assessed Clean Energy (PACE) financing, says only California and Ohio beat out Connecticut with total investment deployed through the end of 2019 using C-PACE.

2. C-PACE financing brings solar to repurposed properties
   SOLAR POWER WORLD
   What do a former Phillips Milk of Magnesia factory, an unused warehouse and an outdated engineering plant in Southern Connecticut have in common? All three properties were given a new lease on life thanks to a savvy developer, a solar company and a unique clean energy financing tool.
3. CT Green Bank Presents PACEsetter Awards
   PATCH
   The Connecticut Green Bank has announced the winners of the 2019 PACEsetter Awards. The Connecticut Green Bank created the PACEsetter Awards to acknowledge contractors, building owners and other stakeholders who are advancing the green energy movement through C-PACE, and whose leadership establishes a "pace" for others in their field to follow. The award winners are a driving force behind the success of the Green Bank's Commercial Property Assessed Clean Energy (C-PACE) program. These are the fifth annual PACEsetter Awards.
4. Want EV charging stations at your business? New program can help
   NEW HAVEN BIZ
   For drivers of electric vehicles, having a place to recharge while out shopping, commuting or running errands is an important convenience. Commercial property owners who want to offer charging stations to their customers now have a chance to do so for free through a new program.
5. Stencil Ease of Old Saybrook Goes Green Using C-PACE Financing
   ZIP06
   Old Saybrook-based Stencil Ease, the largest specialty stencil manufacturing company in the U.S., will soon generate more than 90 percent of its electricity needs from a solar photovoltaic (PV) rooftop system.

Multifamily Affordable Housing

1. Co-Op Rises From The Brink
   New Haven Independent
   Green Bank's financing helps keep Seabury Co-op in New Haven moving forward, preserving an important affordable housing complex.
2. Connecticut Green Bank Multifamily Housing Program Surpasses 100 Project Milestone
   The Connecticut Green Bank is proud to announce that its Multifamily Housing Program has provided financing and technical assistance to more than 100 funded multifamily projects since the program's inception in 2014.
3. Connecticut Green Bank offers financing for remediation of health and safety issues that prevent energy upgrades
   Single and multifamily properties can benefit from low interest rate loans to remove mold, asbestos and other issues.

Lessons Learned

Based on the implementation of the Financing Programs thus far, the following are the key lessons learned:

C-PACE and C-PACE-backed Commercial Solar PPA

- **Anticipate Everything** - Existential threats to the Green Bank and C-PACE Program could come at any point to affect funding energy-saving projects. Though an existential threat like the COVID-19 pandemic was hard to anticipate, we should recognize that threats like these could become more prevalent in the future. As such, the C-PACE Program is developing and testing plans to better guard against a future downturn in the interest to do energy-saving projects during this pandemic and its associated economic recession. The plans we are developing and using today can help better position us to ward off the effects existential challenges can have on the C-PACE Program's ability to meet its fiscal year goals. It will help our program be on offense, rather than defense, to guard against countervailing trends that could affect funding energy-saving projects in the future.
- **Contractors continue to be essential in the C-PACE Program's success**– As demonstrated in past years, the clean energy contractor community continued to play a vital role in C-PACE project development. In order to continue nurturing and supporting contractors, the Financing Programs team began developing tools based on feedback from previous focus groups and many one-on-one conversations. The need to further "streamline" the technical review process for contractors was heard loud and clear, and we began developing a virtual project tracking platform called "Salesforce Communities" through CGB's existing Salesforce instance in the second half of FY20. The Contractor Community in Salesforce will allow contractors to log in and track their projects in real-time as they move through the C-PACE pipeline while also allowing them to submit required documentation, request additional technical support, and make updates to project information. By including contractors in the development process and incorporating their feedback into the platform design, we hope to continue to encourage them to use the C-PACE program as a tool to help grow their businesses and deploy more clean energy in Connecticut. The Salesforce Contractor Community will be launched in FY21 with training sessions for contractors on how to use the platform.
- **Open Market** – Connecticut's open market platform continued to attract capital providers to Connecticut, setting a new single fiscal year record in the growth of new lenders added to the program (six capital providers registered in FY20). The influx of new capital providers in the program builds a foundation to scale up and grow the C-PACE Program in FY21 and beyond. Although the addition of new capital providers remains a positive development for the program, it shouldn't be assumed that it will translate into an influx of new projects right away. New capital providers signaled they were joining the program to be prepared for future project opportunities, but not immediate plans to develop new projects. In an effort to also improve the program's financial sustainability, a new capital provider fee structure was created in FY19 and implemented in FY20 to better recover Green Bank-incurred costs on third party capital provider-funded projects.

Commercial Solar PPA

- Concerted efforts in asset management have been shown to be effective in FY20, with like-for-like year on year improvements of 7% production across the portfolio of CGB-owned assets. However, this remains an area where consistent staff focus and resources are required: with such a diverse portfolio of 19.5 MW assets under management, ranging in size from 10kW to over 1,000kW, swift action is needed to address equipment issues.
- We have now entered the annual step-down period for the investment tax credit, which has a material effect on the economics of commercial solar PPA projects. A key lesson learned by CGB during the attempt to safe harbor the 2019 30% tax credit was the need for a taxable entity to sign PPA and Engineering, Procurement and Construction contracts in the year in which CGB intends to safe harbor the tax credit.

- The development role CGB has taken with state projects has been successful when applied to municipalities. Through the SolarMAP program, CGB is able to unlock small to medium size projects in municipalities that faced too many barriers in getting them to market themselves.

Small Business Energy Advantage (SBEA)

- Low to no interest paired with the on-bill repayment mechanism is extremely attractive to customers. Contractors who are accustomed to using this product in the small business market aren't as successful selling less attractive/subsidized finaning in other markets. CGB is now working with Eversource to expand this approach to larger business through the Business Energy Advantage (BEA) program.

Multifamily Affordable Housing

- **Steady (and significant) progress continues to be made against heavy trade winds…** Despite the challenges of this sector, since inception in 2014, the Green Bank's multifamily loan programs have touched about 4.2% of all multifamily units in CT that serve low- and moderate-income residents (approx. 7,800 units of 183,800 LMI multifamily units).
- **FY'20 Has Been Another Year of Transition & Evolution.** FY'19 was a year of transition and evolution for the multifamily team. In response to the deep budget cuts at Green Bank in response to the legislative sweeps, we sought to find more effective ways to juggle the dynamic tension between delivering "inclusive prosperity" to the low-income multifamily sector that requires: subsidized debt/ low returns, costly technical assistance, and high risk while ensuring that our programs evolve to become financially sustainable in the next 3 to 4 years. (This is because the low- and deeply low-income residents we seek to serve cannot afford high rent payments.) During FY'19 we critically evaluated how we run the business, our customers' experience (through in-depth surveys) as well as what is working well and what is not. In FY'20 we responded by recapitalizing the C4C LIME Loan program with $6.5 Million revolving facility. Previously, there was no financial return to CGB for building and supporting this program with C4C. Further, high risk pre-development loans are no longer forgivable, and we are more conservative in our underwriting. We are focusing marketing efforts on solar PPA programs, which are a revenue generator for CGB. However, program administration and implementation costs remain high because of the deep need for technical assistance in this sector as well as long lead times from project inquiry to funding (often several years), and the sheer complexity of this sector.
- **COVID-19 Has Slowed the Multifamily Program.** This health crisis impacted Multifamily Program activity starting in the Feb/Mar timeframe. With many property owners and managers stretched thin dealing with this crisis as well as uncertainty about rental incomes and financial stability, folks have retreated. We are seeing some activity; however, our ability to close loans and deploy funds remains uncertain in FY'20. That said, we continue to strategically market our programs and support viable projects in getting to closing.
- **Products Continue to Evolve Based on Customer and Other Market Feedback.** At the request of the utility companies and others, we expanded the LIME Loan program to serve all multifamily properties in CT including market rate properties as well as properties with tenant paid utilities. Adjustments have been made to the underwriting process that specifically address the split incentive issues presented by properties with tenant paid utilities. Unfortunately, this launch was put on hold because of financial risks

associated with COVID-19; it will be resumed once Capital for Change feels comfortable with the stability of the multifamily market.

Financing Programs FY 2021Targets

Of programs being implemented in the Financing Programs, the following is a breakdown of the key targets:

Table 14. Number of Projects, Capital Deployed, and Clean Energy Deployed (MW)

Program	# of Projects	Capital Deployed	Clean Energy Deployed (MW)
C-PACE	33	$15,200,000	5.3
CT Solar Lease	31	$4,150,000	6.3
SBEA	1,203	$20,440,000	-
Multifamily Term Loans	2	$225,000	0.1
Multifamily Predevelopment Loans	-	-	
Multifamily Health & Safety	-	-	
Strategic	3	$7,750,000	-
Total[16]	**1,267**	**$46,115,000**	**10.9**

For the Financing Programs, there are 16.6 full time equivalent staff members supporting five (5) different programs.

[16] Totals are adjusted to remove projects that overlap programs.

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CONNECTICUT GREEN BANK

Memo

To: Connecticut Green Bank Board of Directors

From: Eric Shrago, Managing Director of Operations

CC: Bryan Garcia, President and CEO

Date: July 24, 2020

Re: Fiscal Year 2020 Progress to Targets through Q4

The following memo outlines Connecticut Green Bank (CGB) progress to targets for Fiscal Year (FY) 2020 as of June 30, 2020[1].

Table 1. Incentive Programs FY 2020 Progress to Targets

	Projects			Capital Deployed			Capacity (MW)		
Product/Program	**Closed**	**Target**	**% to Target**	**Closed**	**Target**	**% to Target**	**Closed**	**Target**	**% to Target**
RSIP	7,363	7,059	104%	$218,468,953	$214,200,000	102%	61.5	60.0	103%
Smart-E[2]	737	540	136%	$9,998,818	$7,182,000	139%	0.9	0.5	180%
Solar for All	625	615	102%	$15,693,551	$17,202,165	91%	3.9	4.2	93%
Total	**7,992**	**7,545**	**106%**	**$223,765,865**	**$220,032,000**	**102%**	**61.5**	**60.0**	**103%**

Table 2. Smart-E Channels

Smart-E Loan Channels	Closed	% of Loans
Health and Safety	1	0%
Home Performance	56	8%
HVAC	571	77%
Solar	92	12%
[blank]	17	2%
Total	**737**	**100%**

Table 3. Financing Programs FY 2020 Progress to Targets

	Projects			Capital Deployed			Capacity (MW)		
Product/Program	**Closed**	**Target**	**% to Target**	**Closed**	**Target**	**% to Target**	**Closed**	**Target**	**% to Target**

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[1] Power BI data source: https://app.powerbi.com/groups/289235dd-d77d-4043-8dae-d232a51a116a/reports/b24ec66b-a2c1-49f0-9a62-3f7443077b3f/ReportSection13c15e79a907a30b650e

[2] Preliminary Results

Commercial Solar PPA	3	18	17%	$1,355,380	$23,460,000	6%	0.4	10.6	4%
CPACE	42	41	102%	$26,139,015	$20,500,000	128%	5.7	5.0	114%
CPACE backed Commercial Solar PPA	3	15	20%	$1,363,765	$4,500,000	30%	0.4	2.0	20%
SBEA	617	1,000	62%	$10,912,879	$20,000,000	55%	-	-	-
Multi-Family H&S	-	2	-	-	$110,000	-	-	0	-
Multi-Family Pre-Dev.	4	2	200%	$998,036	$140,000	713%	-	0	-
Multi-Family Term	14	8	175%	$8,092,414	$1,328,000	609%	2	0.2	1000%
Total	**675**	**1,082**	**62%**	**$48,861,490**	**$69,378,000**	**70%**	**7**	**17.6**	**40%**

Table 4. Multi-Family Units

MFH # of Units	Closed
Affordable	1,139
Market Rate	114
Total	**1,253**

Table 5. CGB Totals FY 2020 Progress to Targets

	Projects			Capital Deployed			Capacity (MW)		
Segment	**Closed**	**Target**	**% to Target**	**Closed**	**Target**	**% to Target**	**Closed**	**Target**	**% to Target**
Incentive Programs	7,992	7,545	106%	$223,765,865	$220,032,000	102%	61.5	60.0	103%
Financing Programs	**675**	**1,082**	**62%**	**$48,861,490**	**$69,378,000**	**70%**	**7**	**17.6**	**40%**
Strategic Investments	-	2	-	-	$7,500,000	-	-	-	-
Total	**8,667**	**8,629**	**93%**	**$272,627,355**	**$296,910,000**	**92%**	**68.5**	**77.6**	**88%**

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CONNECTICUT GREEN BANK

Memo

To: Board of Directors of the Connecticut Green Bank

From: Brian Farnen, VP, CLO and General Counsel, Matt Ranelli, Chair of the Audit, Compliance and Governance Committee

Date: July 24, 2020

Re: Overview of Compliance Reporting and the Board of Directors and Committees for FY 2020

Overview

This memo provides a summary report of the FY 2020 governance as it pertains to the Board of Directors and its Committees.

This summary report also includes status of Statement of Financial Interest (SFI) filing requirements, report filings that are statutorily required by the Connecticut General Assembly for the Connecticut Green Bank (Green Bank), and review of governance documents (i.e., bylaws, operating procedures, etc.).

Pursuant to Section 16-245n of the General Statutes of Connecticut, the powers of the Green Bank are vested in and exercised by the Board of Directors that is comprised by up to eleven voting and one non-voting member, each with knowledge and expertise in matters related to the purpose of the organization (see Table 1).

Table 1. Composition of the Board of Directors of the Green Bank in FY 2020

Position	Name	Status (as of 06-30-2020)	Voting
Commissioner of DECD (or designee)	Binu Chandy	Ex Officio	Yes
Commissioner of DEEP (or designee)	Mary Sotos[1] Michael Li	Ex Officio	Yes
State Treasurer (or designee)	Bettina Bronisz Steven Meier[2]	Ex Officio	Yes
Finance of Renewable Energy	Vacant	Vacant	Yes
Finance of Renewable Energy	Kevin Walsh	Appointed	Yes
Labor Organization	John Harrity	Appointed	Yes
R&D or Manufacturing	Lonnie Reed[3]	Appointed	Yes
Investment Fund Management	Eric Brown	Appointed	Yes
Environmental Organization	Matthew Ranelli	Appointed	Yes
Finance or Deployment	Tom Flynn	Appointed	Yes
Residential or Low Income	Betsy Crum[4] Brenda Watson	Appointed	Yes
President of the Green Bank	Bryan Garcia	Ex Officio	No

[1] Michael Li, Bureau Chief for the Bureau of Energy and Technology Policy replaced Mary Sotos as DEEP designee as of 10/21/2019,
[2] Steven Meier replaced Bettina Bronisz as Treasurer's designee as of 5/1/2020.
[3] Lonnie Reed was appointed as Chair of the Green Bank by Gov. Lamont as of 10/10/2019.
[4] Betsy Crum resigned effective 2/8/2020. Brenda Watson was appointed by Rep Aresimowicz on 2/9/2020.

Board of Directors
The Board of Directors of the Green Bank is comprised of eleven (11) ex officio and appointed voting members, and one (1) ex officio non-voting member. A quorum for a meeting of the Board of Directors is six (6) voting members at each meeting. Please note that the Board of Directors currently has ten (10) appointees and requires six (6) voting members for a quorum. The Green Bank is actively working with the Governor's Office to fill the vacant position.

The leadership of the Board of Directors, includes:

- **Chair** – Lonnie Reed

- **Vice Chair**– Mary Sotos, Deputy Commissioner of DEEP (voted in by her peers of the Green Bank Board of Directors)

- **Secretary** – Matthew Ranelli, Partner at Shipman and Goodwin (voted in by his peers of the Green Bank Board of Directors)

- **Staff Lead** – Bryan Garcia, President and CEO

For FY 2020, the Board of Directors of the Green Bank met nine (9) times, including seven (7) regularly scheduled meetings and two (2) special meetings (see Table 2).

Table 2. Summary of Board of Directors Meetings for FY 2020

Date	Regular or Special Meeting	Attendees / % Attendance	# of Resolutions Approved[5]
July 18, 2019[6]	Regular	7 / 78%	11
September 12, 2019	Special	8 / 89%	8
October 25,2019	Regular	6 / 60%	15
November 20, 2019	Special	6 / 60%	1
December 20, 2019	Regular	9 / 90%	3
January 24, 2020	Regular	8 / 80%	3
March 25, 2020[7]	Regular	9 / 90%	6
April 24, 2020	Regular	8 / 80%	5
June 26, 2020	Regular	7 / 70%	10
Total	2 Special Meetings 7 Regular Meetings **9 Total Meetings**	75% 78% **77%**	9 53 **62**

Overall, the attendance for each meeting established a quorum – 6 of the 10 (or 5 of the 9) voting members present – in order to enable business decisions, and on average there were 8 of 10 (or 7of 9) members present at each meeting, of which, prior to COVID-19 shut-down, 5 attended on average by phone.

For a link to the materials from the Board of Directors meetings that is publicly accessible – click here.

Statement of Financial Interest

[5] Excludes approval of meeting minutes and adjournment.
[6] The 7/18/2019 & 9/12/2019 meetings were held with 9 BOD members (L. Reed's appointed on 10/10/2019).
[7] Due to COVID-19 all BOD and Committee meetings held after 3/13/2020 were attended online.

It is required by state ethics laws that senior-level staff (i.e., Director level and above) and members of the Board of Directors annually file a Statement of Financial Interest (SFI). With respect to the 2019 SFI filing – required by July 1, 2020, with a 60 day extension being granted by the Connecticut Office of State Ethics (the "OSE") pursuant to Executive Order 7M – the OSE received the following from the Connecticut Green Bank (see Table 3):

Table 3. Summary of State of Financial Interest Filings with the Office of State Ethics for CY 2019

	Number of SFIs Submitted	% Submitted on Time
Senior Staff	6	100%
Board of Directors	8	100%

Of the 14 SFI filings by Senior Staff and the Board of Directors, all were filed online. On July 15, 2020 the Office of State Ethics sent out their July newsletter in which they congratulated us for being one of only forty-seven agencies to earn "the distinction of not only achieving 100% timely compliance but also had 100% submit filings electronically".

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Audit, Compliance and Governance Committee

The Audit, Compliance and Governance Committee (ACG Committee) of the Green Bank is comprised of three (3) ex officio and appointed voting members. A quorum for a meeting of the ACG Committee is three (3) voting members at each meeting. Note, that if there aren't enough voting members of the ACG Committee present at a meeting, then the Chair and/or Vice Chair of the Connecticut Green Bank can participate in the meeting to establish a quorum. The leadership of the ACG Committee, includes:

- **Chair** – Matthew Ranelli, Partner and Shipman and Goodwin (designated as the Chair by the former Chair of the Board Catherine Smith)

- **Members** – Tom Flynn and Mary Sotos/Mike Li

- **Staff Lead** – Brian Farnen, CLO and General Counsel

For FY 2020, the ACG Committee of the Connecticut Green Bank met five (5) times, including 3 regularly scheduled meetings and two (2) special. (see Table 4).

Table 4. Summary of Audit, Compliance and Governance Committee Meetings for FY 2020

Date	Regular or Special Meeting	Attendees / % Attendance	# of Resolutions Approved
August 26, 2019	Special	2[8] / 67%	0
October 18, 2019	Regular	3 / 100%	2
October 25, 2019[9]	Special	3 / 100%	2
March 11, 2020	Regular	3 / 100%	3
May 19, 2020	Regular	3 / 100%	2
Total	3 Regular Meetings 2 Special Meetings **5 total meetings**	3 / 100% 2 - 3 / 84% **3 / 92%**	7 2 **9**

[8] Quorum was not established with only 2 members resent, no resolutions were voted on.
[9] Lonnie Reed joined meetings on 10/25/2019; 3/11/2020; and 5/19/2020.

The attendance established a quorum with 3 voting members present – in order to enable business decisions, of which, prior to the COVID-19 shut-down, 80% attended on average by phone.

For a link to the materials from the ACG Committee meetings that is publicly accessible – click here.

Review of Governance Documents and Statutory Reporting
With respect to annual review of governance documents and statutory reporting, the following applies:

- Annual review by the ACG Committee of the Governance Documents (i.e., Bylaws, Operating Procedures, and Statement of Purpose) completed on March 11, 2020. Revisions to the Green Bank Bylaws were brought before the BOD and approved at the June 26, 2020 meeting to include the following:

    - Article I, Section 1.3 – adding the purpose and function of the Green Bank;
    - Article II, Section 2.5 – adding Treasurer to the Board of Director positions;
    - Article II, Section 2.7 - adding the requirement of Board of Director members to take an oath (including a sample oath), which is practiced, but not memorialized in the bylaws;
    - Article III, Section 3.6 and Article V, Sections 5.2 & 5.2.2 – renaming the Budget and Operations Committee to the Budget, Operations, and Compensation Committee, while including additional responsibilities;
    - Article V, Section 5.2.3 – based on the "Loan Loss Decision Framework and Process" approved by the Board of Directors on June 13, 2018, inclusion of additional language in the bylaws to reflect the importance of the establishment and modification of such process;
    - Article VII, Section 7.1 - expanding Conflicts of Interest to include immediate family of the Board of Director members;
    - Article IX – adding "Restrictions on Directors and Employees Leaving Green Bank"; and
    - Article XII, Section 12.1.4 – adding "Clean Energy" to definitions

- Statutory Responsibilities and Reporting Checklist attached hereto as Exhibit A for continuous reporting tracking.

Budget Operations and Compensation Committee

Formerly known as the Budget and Operations Committee and effective as of June 26, 2020 with the revision to the Green Bank Bylaws, the committee's name was changed to the Budget Operations and Compensation Committee (BOC Committee) of the Green Bank to better reflect its full mission. The BOC is comprised of three (3) ex officio and appointed voting members. A quorum for a meeting of the BOC Committee is three (3) voting members at each meeting. Note, that if there aren't enough voting members of the BOC Committee present at a meeting, then the Chair and/or Vice Chair of the Green Bank can participate in the meeting to establish a quorum. BOD Chair Lonnie Reed chose to attend all BOC Committee meetings for FY20. The leadership of the BOC Committee, includes:

- **Chair** –John Harrity, Labor Union Representative (designated as the Chair by the former Chair of the Board Catherine Smith)

- **Members** –John Harrity, Mary Sotos, Commissioner of DEEP, Eric Brown (designated as a member of the Committee by BOD Chair)

- **Staff Lead** – Eric Shrago, Managing Director of Operations

For FY 2020, the BOC Committee of the Green Bank met four (4) times, three (3) were regularly scheduled and one (1) was special (see Table 5).

Table 5. Summary of Budget Operations and Compensation Committee Meetings for FY 2020

Date	Regular or Special Meeting	Attendees / % Attendance	# of Resolutions Approved
January 10, 2020	Regular	4 / 100%	1
May 13, 2020	Regular	3 / 75%	0
June 10, 2020	Regular	4 / 100%	0
June 16, 2020	Special	4 / 100%	2
Total	1 Special Meeting 3 Regular Meetings **4 Total Meetings**	100% 90% **95%**	2 1 **3**

Overall, the attendance for each meeting established a quorum –3 voting members present – in order to enable business decisions, and on average, with the attendance by Lonnie Reed, there were 4 members present at each meeting, of which, prior to the COVID-19 Shut-down, 50% attended by phone.

For a link to the materials from the BOC Committee meetings that is publicly accessible – click here.

Deployment Committee

The Deployment Committee of the Green Bank is comprised of four (4) ex officio and appointed voting members. A quorum for a meeting of the Deployment Committee is three (3) voting members at each meeting. Note, that if there aren't enough voting members of the Deployment Committee present at a meeting, then the Chair and/or Vice Chair of the Green Bank can participate in the meeting to establish a quorum. The leadership of the Deployment Committee, includes:

- **Chair**[10] –Mary Sotos, Deputy Commissioner of DEEP/ Mike Li (designated as the Chair by the former Chair of the Board Catherine Smith)
- **Members** – Bettina Bronisz[11] (ex officio per bylaws), Matthew Ranelli, and Betsy Crum[12] (designated as a member of the Committee by BOD Chair)
- **Staff Lead** – Bryan Garcia, President and CEO, and Bert Hunter, EVP and CIO

For FY 2020, the Deployment Committee of the Green Bank met four (4) times, including three (3) regularly scheduled meetings (see Table 6).

[10] Mike Li replaced Mary Sotos effective at the 5/27/2020 meeting.
[11] Steve Meier replaced Bettina effective at the 5/27/2020 meeting.
[12] With her appointment as Chair to the IPC Board, Betsy Crum effectively resigned from the Deployment. Committee. The committee met with 3 members until Binu Chandy replaced her effective at the 9/25/2019 meeting.

Table 6. Summary of Deployment Committee Meetings for FY 2020

Date	Regular or Special Meeting	Attendees / % Attendance	# of Resolutions Approved
July 12, 2019	Special	3 / 75%	3
September 25, 2019	Regular	4 / 100%	1
February 27, 2020[13]	Regular	4 / 100%	3
May 27, 2020	Regular	5 / 100%	1
Total	1 Special Meeting 3 Regular Meetings **4 Total Meetings**	3 / 75% 4 / 100% **4 / 100%**	**3** **5** **8**

Overall, the attendance for each meeting established a quorum – 3 of the 4 voting members present – in order to enable business decisions, and on average there were 4 members present at each meeting, of which, prior to the COVID-19 Shut-down, 90% attended by phone.

For a link to the materials from the Deployment Committee meetings that is publicly accessible – click here.

Joint Committee of the EEB and the CGB

Section 16-245m(d)(2) of the Connecticut General Statutes created a Joint Committee of the Energy Efficiency Board (EEB) and the Connecticut Green Bank. Per bylaws established and approved by the EEB and the Green Bank, the Joint Committee is comprised of four (4) appointed and voting members, one (1) ex officio and voting member, and four (4) ex officio and non-voting members. A quorum for a meeting of the Joint Committee is three (3) voting members at each meeting. The leadership of the Joint Committee, includes:

- **Chair** – Eric Brown, Attorney with CBIA (voted in by his peers of the EEB and the Connecticut Green Bank)
- **Vice Chair**[14] – Mary Sotos, DEEP (voted in by her peers of the EEB and the Connecticut Green Bank)
- **Secretary** – Bryan Garcia, Connecticut Green Bank, and Craig Diamond, Connecticut Energy Efficiency Fund (voted in by their peers of the EEB and the Connecticut Green Bank)
- **Members**[15] – Bryan Garcia (non-voting), Bert Hunter (non-voting), John Harrity (designated as member of the Committee by BOD Chair), and Brenda Watson (designated as member of the Committee by BOD Chair)
- **Staff Lead** – Bryan Garcia, President and CEO of the Connecticut Green Bank

For FY 2020, the Joint Committee of the EEB and the Green Bank met three (3) times, including three (3) regularly scheduled meetings (see Table 7).

[13] Lonnie Reed joined meetings on 2/27/2020 & 5/27/2020.
[14] Mike Li replaced Mary Sotos effective at the 12/18/2019 meeting.
[15] Note – these 3 members are representatives from the Connecticut Green Bank.

Table 7. Summary of Joint Committee Meetings for FY 2020

Date	Regular or Special Meeting	Attendees / % Attendance Voting	Non-voting (CGB)
July 17, 2019	Regular	3 / 75%	4 / 100%
December 18, 2019	Regular	4 / 100%	4 / 100%
June 17, 2020[16]	Regular	4 / 100%	4 / 100%
Total	4 Regular Meetings **4 Total Meetings**	**3/ 88%**	**1-2 / 75%**

Overall, the attendance for each meeting established a quorum – 3 of the 4 voting members present – in order to enable business decisions, and on average there were 3-4 members present at each meeting, of which, prior to the COVID-19 Shut-down, 15% attended on average by phone.

For a link to the materials from the Joint Committee meetings that is publicly accessible – click here.

[16] Lonnie Reed attended in place of John Harrity.

Exhibit A

Quarterly Cash Flow		Quarterly Human Resources		Sec. 1-123		REEEFA Bonding		SCRF Notice		RSIP		Annual Report		Board Meetings				OpenCT Checkbook Data to Comptroller		Board Diversity	
Quarter End	*Submitted*	*Quarter End*	*Submitted*	*Due*	*Submitted*	*Due*	*Submitted*	*Reason Required*	*Submitted*	*Due*	*Submitted*	*Due*	*Submitted*	*Held*	*Type*	*Held*	*Type*	*Requested by*	*Delivered*	*Due*	*Submitted*
9/30/13	3/14/14	10/1/13	6/17/14	1/1/2015	12/30/2014	1/1/13	2/8/13	CSCU deal	12/1/17	1/1/2014	-	1/1/15	12/30/14	12/16/15	regular	1/26/18	regular	1/15/19	1/10/19	10/1/2019	9/25/2019
12/31/13	3/14/14	1/1/14	6/17/14	1/1/2016	12/31/2015	1/1/14	1/15/14	CSCU, Meriden	11/30/18	1/1/2017	1/30/2017	1/1/16	12/31/15	1/15/16	regular	2/15/18	special	2/1/20	1/31/20		
3/31/14	4/21/15	4/1/14	6/17/14	1/1/2017	12/29/2016	1/1/15	3/15/15	CSCU, Meriden	12/30/19	1/1/2019	1/11/2019	1/1/17	10/17/16	2/26/16	special	4/3/18	regular				
6/30/14	4/21/15	7/1/14	8/5/14	1/1/2018	12/27/2017	1/1/16	12/23/15			Program Sunset 1/1/20		1/1/18	12/1/17	3/3/16	special	4/27/18	regular				
9/30/14	6/16/16	10/1/14	10/2/14	1/1/2019	12/31/2018	1/1/17	12/15/16					1/1/19	1/11/19	4/22/16	regular	5/25/18	special				
12/31/14	6/16/16	1/1/15	1/12/15	1/1/2020	12/31/2019	1/1/18	12/1/17					1/1/20	12/27/19	6/17/16	regular	6/13/18	regular				
3/31/15	6/16/16	4/1/15	4/12/15			1/1/19	12/31/18							7/6/16	special	6/28/18	regular				
6/30/15	6/16/16	7/1/15	7/9/15			1/2/19	12/30/19							7/22/16	regular	7/27/18	regular				
9/30/15	5/31/16	10/1/15	10/9/15											10/21/16	regular	8/21/18	special				
12/31/15	5/31/16	1/1/16	1/8/16											12/16/16	regular	9/18/18	special				
3/31/16	5/31/16	4/1/16	3/31/16											1/5/17	special	10/26/18	regular				
6/30/16	8/10/16	7/1/16	7/5/16											1/20/17	regular	12/14/18	regular				
9/30/16	11/8/16	10/1/16	10/5/16											3/10/17	special	2/22/19	regular				
12/31/16	2/23/17	1/1/17	2/21/17											4/28/17	regular	3/29/19	regular				
3/31/17	5/10/17	4/1/17	4/10/17											6/9/17	special	4/26/19	regular				
6/30/17	8/9/17	7/1/17	7/17/17											6/23/17	regular	6/28/19	regular				
9/30/17	12/21/17	10/1/17	10/6/17											7/21/17	regular	7/18/19	regular				
12/31/17	2/28/18	1/1/18	1/9/18											9/28/17	regular	9/12/19	regular				
3/31/18	5/17/18	4/1/18	4/2/18											10/3/17	special	10/25/19	regular				
6/30/18	9/5/18	7/1/18	7/5/18											10/20/17	regular	11/20/19	special				
9/30/18	11/28/18	10/1/18	10/3/18											11/6/17	special	12/20/19	regular				
12/31/18	7/11/19	1/1/19	1/3/19											11/13/17	special	1/24/20	regular				
3/31/19	9/23/19	4/1/19	4/1/19											12/1/17	special	3/25/20	regular				
6/30/19	9/23/19	7/1/19	7/1/19											12/15/17	regular	4/24/20	regular				
9/30/19	12/27/19	10/1/19	10/1/19													6/26/20	regular				
12/31/19	3/26/20	1/1/20	1/3/20																		
3/31/20	6/22/20	4/1/20	4/3/20																		
6/30/20		7/1/20	7/7/20																		
		10/1/20																			

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GREEN BANK

Memo

To: Board of Directors of the Connecticut Green Bank

From: Brian Farnen, Loyola French, and Bryan T. Garcia

Date: July 24, 2020

Re: Overview of Requests for Approvals for Professional Services Agreements over $75,000 for FY 2020 per Operating Procedures

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Overview

This memo provides a summary report of the requested approvals for those Professional Services Agreement ("PSA") with a not-to-exceed amount of over $75,000 in the 2020 fiscal year ("FY2020"). This approval process is outlined in Section IX (ii) of the Connecticut Green Bank Operating Procedures, as follows:

> "(ii) for such contracts requiring an expenditure by the Green Bank over seventy-five thousand dollars ($75,000) and up to and including one hundred fifty thousand dollars ($150,000) over a period of one (1) fiscal year, the President and the Chairperson must both approve the expenditure, and (iii) for such contracts requiring an expenditure by the Green Bank of over one hundred fifty thousand dollars ($150,000), such contract shall, whenever possible, be awarded on the basis of a process of competitive negotiation where proposals are solicited from at least three (3) qualified parties. To the extent permitted by any contract for administrative support and services between the Green Bank and Connecticut Innovations, Incorporated, professional services may also be provided by consultants and professionals selected by and under contract to Connecticut Innovations, Incorporated, subject to appropriate cost sharing. The provisions of Section 1-127 of the General Statutes shall apply to the engagement of auditors by the Green Bank".

Green Bank staff requested a total of 25 PSAs, or amendments to existing PSAs, with not-to-exceed amounts over the $75,000 threshold for FY2020, for a total amount of $4,421,505. Approval for 13 of the 25 were requested, and subsequently granted, by either Deputy Commissioner Sotos as acting Chair or Lonnie Reed who took over as Chair of the Board at the 10/10/2019 meeting . The others all gained approval of the full Board of Directors, as either a one-time approval or as strategic selections for FY 2020 at the 7/18/19 BOD meeting (see Table 2). This number is up from that of FY 2019 by $1,485,217, when approval was sought for fifteen PSAs and/or amendments over $75,000, for a total amount of $2,936,288, with seven being approved by direct request of either Commissioner Smith or Deputy Commissioner Sotos and approval for the remaining eight being granted by the full Board. A breakdown of the agreements for FY2020 follows.

Table 1. FY 2020 PSAs over $75,000 approved by Commissioners Sotos/ Lonnie Reed

Date	Agreement	Division / Program	Original PSA Amount	Amended Amount
7/1/2019	Adams & Knight – PSA 5528	Marketing	$276,000	
7/1/2019	Go, LLC – PSA 5529	Marketing	$112,500	
9/23/2019	CSW, LLC – PSA 5554	CI&I – CPACE	$45,000*	
10/8/2019	DNV GL Energy – PSA 5536	CI&I – SL2	$40,000*	
10/8/2019	DNV GL Energy – PSA 5537	CI&I – SL2 (SHREC)	$68,080*	
11/19/2019	Energy Resource Solutions (ERS) – PSA 5558	CI&I – CPACE	$150,000	
12/16/2019	CohnReznick – PSA 5294 2nd Amendment	CI&I – SL2		$13,000**
1/20/2020	Go, LLC PSA 5529 1st Amendment	Marketing		$100,000
2/26/2020	DNV GL Energy – PSA 5536 1st Amendment	CI&I – SL2		$28,400**
3/9/2020	ENCON - PSA 5406 1st Amendment	CI&I -SL2,CEFIA Hold		$282,000
5/1/2020	Lamont Financial - PSA 5582	General Operations	$135,000***	
5/18/2020	Navigant Consulting PSA 5533 1st Amendment	S&I – Resi Solar & EEPP		$30,000**
6/5/2020	ENCON – PSA 5463 2nd Amendment	CI&I – CSCU		$38,000*
		Total:	**$826,580**	**$491,400**

* Multiple PSAs for FY20 brings aggregate amount over $75K
** Amendment increases PSA over $75,000
*** Term runs from 4/1/2020 – FY21

Table 2. FY 2020 PSAs over $75,000 approved by Green Bank BOD

Date	Agreement	Division / Program	Amount	Amended Amount
7/1/2019	IPC (Smart-E) PSA 5410 1st Amendment	Resi – Smart-E		$296,656
7/1/2019	IPC (MF) PSA 5411 1st Amendment	Resi - MF		$499,163
7/1/2019	IPC (Commercial Solar) PSA 5412 1st Amend	CI&I - SL		$274,772
7/1/2019	IPC (Invest Mgmt) PSA 5413 1st Amendment	ResiI/MF – LMI		$227,365
7/1/2019	Clean Power Research PSA 5524	S&I – RSIP	$448,895	
7/1/2019	AlsoEnergy (Locus) Resi	S&I – RSIP	$830,000	
7/1/2019	AlsoEnergy (Locus) Commercial	S&I – Commercial	$31,674*	
7/1/2019	Adnet Technologies PSA 5534	General Operations	$300,000	
7/1/2019	Cortland Capital Market PSA 5457	CI&I CPACE	$120,000	
12/22/2019	Recurve Analytics PSA 5486 2nd Amendment	CI&I CPACE		$30,000
4/22/2020	Adnet Technologies PSA 5534 1st Amend	General Operations		$45,000
4/29/2020	CSW, LLC PSA 5498 1st Amendment**	C&I CPACE	N/A	N/A
		Total:	**1,730,569**	**1,372,956**

* Multiple PSAs for FY20 brings aggregate amount over $75K
** Amendment extends term only, no monetary value change.

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CONNECTICUT GREEN BANK

Memo

To: Board of Directors of the Connecticut Green Bank – Deployment Committee of the Connecticut Green Bank

From: Bryan Garcia (President and CEO)

Date: July 24, 2020

Re: Approval of Funding Requests below $500,000 and No More in Aggregate than $1,000,000 – Update

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At the October 20, 2017 Board of Directors (BOD) meeting of the Connecticut Green Bank ("Green Bank") it was resolved that the BOD approves the authorization of Green Bank staff to evaluate and approve funding requests less than $500,000 which are pursuant to an established formal approval process requiring the signature of a Green Bank officer, consistent with the Comprehensive Plan, approved within Green Bank's fiscal budget and in an aggregate amount not to exceed $1,000,000 from the date of the last Deployment Committee meeting. This memo provides an update on funding requests below $500,000 that were evaluated and approved. During this period, 1 project was evaluated and approved for funding in an aggregate amount of approximately $142,672. If members of the board or committee would be interested in the internal documentation of the review and approval process Green Bank staff and officers go through, then please request it.

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99 Meadow Street: A C-PACE Project in Hartford, CT

Address	99 Meadow Street, Hartford, CT 06114			
Owner	Meadow Street Realty, LLC			
Proposed Assessment	$142,672			
Term (*years*)	15			
Term Remaining (*months*)	Pending construction completion			
Annual Interest Rate	5.75%			
Annual C-PACE Assessment	$14,398			
Savings-to-Investment Ratio	1.09			
Average DSCR	[redacted]			
Lien-to-Value	[redacted]			
Loan-to-Value	[redacted]			
Projected Energy Savings (mmBTU)		EE	RE	Total
	Per year	-	158.1	158.1
	Over term	-	2,371	2,371
Estimated Cost Savings (incl. ZRECs and tax benefits)	Per year	-	$5,911	$5,911
	Over term	-	$88,664	$88,664
Objective Function	16.6 kBTU / ratepayer dollar at risk			
Location	Hartford			
Type of Building	Auto repair			
Year of Build	1979			
Building Size (*sf*)	7,430			
Year Acquired by Owner	2000			
As-Is Appraised Value[2]	[redacted]			
Mortgage Lender Consent	[redacted]			
Proposed Project Description	39.1 kW rooftop solar PV			
Est. Date of Construction Completion	Pending closing			
Current Status	Awaiting Staff Approval			
Energy Contractor	[redacted]			

[redacted]

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CONNECTICUT GREEN BANK

Memo

To: Board of Directors of the Connecticut Green Bank – Deployment Committee of the Connecticut Green Bank

From: Bryan Garcia (President and CEO)

Date: July 24, 2020

Re: Approval of Restructure/Write-Offs Requests below $100,000 and No More in Aggregate than $500,000 – Update

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At the June 13, 2018 Board of Directors (BOD) meeting of the Connecticut Green Bank ("Green Bank") it was resolved that the BOD approves the authorization of Green Bank staff to evaluate and approve loan loss restructurings or write-offs for transactions less than $100,000 which are pursuant to an established formal approval process in an aggregate amount not to exceed $500,000 from the date of the last Deployment Committee meeting. At the April 24, 2020 BOD meeting of the Green Bank, it was resolved that the BOD approves the authorization of Green Bank staff to evaluate and approve a semi-annual (or two quarterly periods) repayment modification of various transaction types in light of the COVID-19 pandemic.[1] And at the June 26, 2020 BOD meeting of the Green Bank, it was resolved that the BOD approves of the framework applying to subsidiaries of the Green Bank.

During this period, 4 projects were evaluated and approved for payment restructure in an aggregate amount of approximately $267,491. If members of the board or committee would be interested in the internal documentation of the review and approval process Green Bank staff and officers go through, then please request it.

Project Name:	**Northeast Quality - 14 Alcap Ridge, Cromwell**
Repayment Amount:	**$94,686**
Comprehensive Plan:	**CPACE COVID-19 Restructure**

<u>Description</u>
The project at 14 Alcap Ridge was completed on June 26, 2015, funded by a $2,114,162.50, 17-year, 5.70% benefit assessment lien (inclusive of capitalized interest). The Borrower has made all scheduled C-PACE payments, and as of the January 1, 2020 tax payment cycle, the outstanding balance on this assessment is $1,687,368.42.

[1] The Board also approved accommodation for one year for C-PACE transactions in certain towns where C-PACE assessments are collected annually.

As a result of the economic ramifications of COVID19 (e.g., business closures, rent interruptions, etc.) the Borrower requested in an official notice letter returned on April 20, 2020, to defer the July 2020 payment until the end of term and add one additional payment to absorb deferred interest. This effectively extends the term of the loan by 1 year as all the other payments stay the same.

Project Name: **InSports (ISCT Real Estate, LLC) - 29 Trefoil Drive, Trumbull**

Repayment Amount: **$21,076**

Comprehensive Plan: **CPACE COVID-19 Restructure**

Description

The Project at 29 Trefoil Drive was completed on May 5, 2013, funded by a $1,012,004.28, 20-year, 5.50% benefit assessment lien (inclusive of capitalized interest). The Borrower has made all scheduled C-PACE payments, and as of the January 1, 2020 tax payment cycle, the outstanding balance on this assessment is $821,103.86.

As a result of the economic ramifications of COVID19 (e.g., business closures, rent interruptions, etc.) the Borrower requested in an official notice letter returned on April 14, 2020, to defer the July and October 2020 payments until the end of term and adding two additional payment to absorb deferred interest. This effectively extends the term of the loan by 1 year as all the other payments stay the same.

Project Name: **855 Main Street, Bridgeport**

Repayment Amount: **$88,327**

Comprehensive Plan: **CPACE COVID-19 Restructure**

Description

Please see Attachment A for the original underwriting memo for 855 Main St. The project at 855 Main St. was completed in 2015, funded by a $2,155,401, 20-year, 5.50% benefit assessment lien (inclusive of capitalized interest). The Borrower has made all scheduled C-PACE payments, and as of the January 1, 2020 tax payment cycle, the outstanding balance on this assessment is $1,803,191.82.

As a result of the economic ramifications of COVID-19, the Borrower has requested to defer the July 2020 payment until the end of term and add two additional payments to absorb deferred interest. This effectively extends the term of the loan by one year and increases the semi-annual payments from $87,660.59 to $88,326.57. The modification is slightly NPV positive (+$38,282) as the increased interest income at the financing agreement term rate (5.50%) is capitalized and results in more interest expense paid over time on a slightly higher principal balance and this is discounted back at the loan loss policy standard discount rate of 3%.

Project Name:	**Meriden Enterprise Center (Flatiron Real Estate Advisors LLC) - 290 Pratt Street, Meriden, CT 06450**
Repayment Amount:	**$63,402**
Comprehensive Plan:	**CPACE COVID-19 Restructure**

Description

Please see Attachment A for the original underwriting memo for 290 Pratt Street owned and managed Flatiron Real Estate Advisors, LLC. The project at 290 Pratt Street was completed on in April 2016, funded by two CPACE loans totaling $2,974,348.78, 20-year, 5.923% benefit assessment lien (inclusive of capitalized interest). The Borrower has made all schedule C-PACE payments, and as of the April 1, 2020 tax payment cycle, the outstanding balance on this assessment is $2,667,059.79.

As a result of the economics ramifications of COVID19 (e.g. business closures, rent interruptions, etc.) the Borrower has requested to defer the July and October 2020 payments until the end of the term, maintain the same payment amount, and add eight additional payments to absorb deferred interest. This effectively extends the term of the loan by 2 years, as all the other payments stay the same.

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CONNECTICUT GREEN BANK

Memo

To: Connecticut Green Bank Board of Directors

From: Bert Hunter, EVP and CIO

CC: Bryan Garcia, President & CEO; Brian Farnen, General Counsel & CLO; Selya Price, Director, Statutory & Infrastructure Programs; Mackey Dykes, VP, Commercial, Industrial & Institutional Programs; Jane Murphy, Finance and Administration

Date: July 17, 2020

Re: Clean Energy Financing RFP (General Solicitations) – Recommendation for RFP Criteria

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Background

At the December 20, 2020 meeting of the Board of Directors (the "Board'') of the Connecticut Green Bank (the "Green Bank"), the Board approved staff's recommendation to introduce an open and ongoing "Request for Proposals" program (the "Open RFP") in early 2020. The Open RFP will support a variety of developers and capital providers – from emerging developers of commercially established technologies, to well-established manufacturers of emerging technologies and lenders and investors of all types. (See enclosure 6a2_Financing_RFP_Proposal_Memo_121719.PDF). Related to this approval was a modification of the Green Bank Operating Procedures approved by the Board during its meeting held January 24, 2020 (See enclosure 6a3_Proposed Revisions_Operating Procedures_Open RFP_011720). In Section XII of the Operating Procedures, as amended and approved by the Board, states:

> "If the Board of Directors approves of an open competitive process of selection and award **with established criteria** to encourage the investment and deployment of clean energy sources in Connecticut, such award will not be considered a strategic selection and the additional requirements for a strategic selection shall not be required." [Emphasis added]

Staff presents to the Board its recommendation for the Open RFP with established criteria to be posted on the Green Bank's website upon approval by the Board to the resolutions enclosed with this memo (see 6a1_CGB Open Rolling RFP for General Transactions (Final for Board).PDF).

Given our need to achieve more impact as explained in the RFP memorandum presented to the Board at its meeting of December 20, 2019, and the potential for successful deployment of more clean energy for the State, the Board's approval is recommended.

Resolutions

WHEREAS, the Green Bank Board of Directors (the "Board") and the President and CEO support alternatives for developers and capital providers to gain access to Green Bank resources while affording staff the ability to consider additional investment opportunities;

WHEREAS, the Green Bank President and CEO proposed the introduction of an open and ongoing "Request for Proposals" program to create pathways to access Green Bank support;

WHEREAS, staff has diligenced the concept for an open Request for Proposals program (the "Open RFP Program") with other green banks, namely the New York Green Bank and Australia's Clean Energy Finance Corporation, which demonstrated the success and utility of an open and ongoing solicitation program for project proposals;

WHEREAS, the Board approved the Open RFP at a meeting of the Board held December 20, 2019 and approve related amendments to the Green Bank's Operating Procedures at a meeting held January 24, 2020, which Operating Procedures allows for an open competitive process of selection and award with established criteria to encourage the investment and deployment of clean energy sources in Connecticut, and that such award will not be considered a strategic selection and the additional requirements for a strategic selection shall not be required; and

WHEREAS, Green Bank staff recommends that the Board approve the Open RFP with established criteria as explained in a memorandum to the Board dated July 17, 2020.

NOW, therefore be it:

RESOLVED, that the Board approves the Green Bank Open RFP Program with established criteria as explained in a memorandum to the Board dated July 17, 2020; and

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 establishment and operation of the Open RFP Program.

Submitted by: Bert Hunter EVP & CIO and Bryan Garcia, President & CEO

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OPEN REQUEST FOR PROPOSALS FOR CLEAN ENERGY INVESTMENT

I. PURPOSE

Through this Open Request for Proposals ("Open RFP"), the Connecticut Green Bank ("Green Bank") seeks to provide access by project developers and capital providers / investors to Green Bank capital that will catalyze investment which – but for the Green Bank's participation – would either not happen or be realized at a much slower pace or with less impact. This Open RFP is targeted towards proposals with financing requirements which are not met by existing Green Bank financing programs. Since inception, the Green Bank has demonstrated its ability to work with a variety of developers and capital providers to accelerate investment in clean energy, including energy efficiency as well as commercially deployed renewable technologies like solar PV, on-shore wind, run-of-the-river hydroelectric power, fuel cells and anaerobic digesters. The Green Bank Open RFP will:

- Receive proposals for Green Bank investment on an open and rolling basis, as received;
- Evaluate such proposals in accordance with objective and transparent criteria;
- Be "market responsive" and adaptable – meaning that the Green Bank will endeavor to render preliminary responses to proposals in days and weeks rather than months and to offer guidance to those proposals that fall short of our criteria where the proposals by a commercially sophisticated counterparty offer the promise of significant market potential; and
- Have sufficient budget for investment in order to deliver significant impact quickly.

This Open RFP will support a variety of developers and capital providers – from emerging developers of commercially established technologies, to well-established manufacturers of emerging technologies and lenders and investors of all types. It is important to note that the Open RFP is not intended to be a venture capital program nor will it seek to assume risks that are more appropriate for other elements of a project's or business's capital stack. At its core, the Green Bank is a special purpose financial institution, with a responsibility to be good stewards of funds committed to it by statute to promote the clean energy and resiliency goals of the state.

II. GREEN BANK BACKGROUND

The Green Bank is a quasi-public state agency. As the nation's first full-scale green bank, it is leading the clean energy finance movement by leveraging public and private funds to scale-up renewable energy deployment and energy efficiency projects across Connecticut. The Green Bank's success in accelerating private investment in clean energy is helping Connecticut create jobs, increase economic prosperity, promote energy security and address climate change. In 2017, the Green Bank received the Innovations in American Government Award from the Harvard Kennedy School Ash Center for Democratic Governance and innovation for their "Sparking the Green Bank Movement" entry. For more information about the Green Bank, please visit www.ctgreenbank.com.

III. ELIGIBLE TECHNOLOGIES

In order to not limit access to promising technologies or business models, some of which may be on the verge of becoming commercially established, this Open RFP is available to any technology or business model that is able to help the Green Bank achieve its statutory mandate as voiced through its Comprehensive Plan which staff reasonably determines: (a) is either already commercially viable (based on success in markets other than Connecticut or even other than the United States) and (b) has demonstrated clear potential for commercial viability through, for instance, well-documented feasibility studies and pilot programs where there is clear evidence of a viable business model and demonstrable cash flows as well as a path to substantial impact.

IV. REQUIREMENT FOR CLEAN ENERGY AND FINANCIAL IMPACT

Of considerable importance to the program will be achieving leverage of private capital with its limited public resources as the Green Bank seeks to act in furtherance of Connecticut's ambitious environmental / GHG and CO_2 reduction goals, Green Bank clean energy deployment objectives to "scale up" to achieve the market potential, and in support of public health outcomes, jobs and economic development.

V. FINANCING ARRANGEMENTS AND CAPITAL SUPPORT

The Green Bank does not intend for its role to be prescriptive, but to be determined in a manner that maximizes the potential for leverage of Green Bank resources while balancing the need for risk containment and Green Bank sustainability (i.e., the Green Bank's financial returns vs. the potential for financial losses). As such, the Green Bank expects investments to take the usual forms, such as:

- Senior and Subordinate loans
  - Construction loans
  - Bridge loans
  - Working capital loans
  - Term loans
- Loan loss reserves
- Loan guarantees
- Other forms of credit enhancement
- Participation in other lender's loans

- Equity (including participation as a member of a limited liability company, holder of preferred stock or other instruments that could be a hybrid of debt and equity, debt with conversion rights, debt with warrants for equity, etc.)
- Access to federal tax-exempt Private Activity Bonds for qualified private activities

All the above is to be considered in accordance with Green Bank operating procedures and its enabling statute.

The most successful proposals to this Open RFP will demonstrate the ability to make a significant impact across the desired outcomes and the ability to measure and track such performance over time. Examples of performance-tracking metrics are renewable kWh produced, CO_2 equivalent avoided, number of jobs created, public health savings, state and local revenues and private investment generated.

VI. GREEN BANK CAPITAL COMMITMENT

Over the next 3-5 years, the Green Bank may (ultimately) expect upwards of $20 to $25 million in annual capital requirements (i.e., awarded requests) for submitted proposals under this RFP which could annually top $100 million. This capital requirement is quite manageable in the context of both anticipated Green Bank revenues and financing capacity (including various lines of credit with commercial banks and the recently announced Green Liberty Bonds campaign). Green Bank current fiscal year (FY21) allocation is up to $7.5 million in Green Bank capital resources. For FY21 and beyond, and depending upon the success of the program, the Green Bank is eligible to make additional budgetary requests to its Board of Directors, but approval of such additional requests is not assured.

VII. ELIGIBLE PROPOSERS

The Open RFP will accept proposals from:

1) Private sector financial institutions or other third-party capital providers that finance, or intend to finance, clean energy technologies in State of Connecticut (although proposals that are part of a "multi-state" concept whereby the competitive procurement benefits reside with Connecticut ratepayers will also be welcomed and encouraged); and/or

2) Industry participants including project developers, energy service companies ("ESCOs"), building and facility owner/operators, equipment manufacturers, or others that provide equipment, materials and/or services where the object of the activity being proposed is entirely or meaningfully related to the State of Connecticut.

Proposers can apply on a standalone basis or as part of a team, such as a developer/sponsor, lead equipment provider, lead equity and/or debt provider.

Regardless of whether the proposal comes from a standalone entity or as part of a team, proposers must have directly relevant experience in the transaction/project type being submitted, and the relevant technologies.

VIII. PROPOSAL REQUIREMENTS

Each Proposer shall carefully examine the RFP and any and all amendments, exhibits, revisions, and other data and materials provided with respect to this RFP process. Proposers should familiarize themselves with all requirements in that contract prior to submitting their proposal. Should a Proposer have any questions or require clarifications or wish to request interpretations of any kind, the Proposer shall submit a written request to RFP@ctgreenbank.com. Green Bank shall respond to such written requests in kind and may, if it so determines, disseminate such written responses to other prospective Proposer(s) or post to Green Bank's website, subject to section H of Article XII.

A. Proposer Qualifications

The Proposer shall include the following:

Corporate:

- Company overview and relevant experience, which shall include at a minimum (A) the number of employees, (B) the office locations, (C) and an outline of any clean energy operational projects showing (as relevant) project locations, technology or technologies involved, system output, host/offtaker, utility service area, whether such projects were developed under a state energy program (and if so, a description of that program or webpage/URL).

Team:

- Highlight key personnel and (if known) subcontractors who will be assigned to the project.
- Describe their respective experiences and skills with the development, engineering and installation of similar projects.
- Highlight the relevant licenses and certifications held by these key personnel.

Project Experience:

- Provide track record of actual annual generation relative to projected generation within the Proposer's operational projects (if applicable).
- Outline approach Proposer takes to ensure the installed Systems meets the projected generation values.

Preferred qualifications

- Years of experience – five years minimum in the proposed project's field of expertise.

B. Project Scope and Schedule

Include a general scope of the Project the Proposer intends to provide upon selection and execution of Green Bank financing arrangements. The scope narrative shall outline (as relevant) all major tasks and milestones necessary to design and obtain permits to construct, coordinate with utility company, mobilize, construct and commission the project.

Proposals should include a complete project schedule indicating major project milestones and durations, such as engineering, construction, and siting council approval, where applicable. Indicate if the project requires the award of any other Federal or State grants or financing awards (e.g., USDA financing, ZREC award, DECD brownfield remediation program award, etc.)

This Open RFP is geared towards projects requiring a financing requirement of $250,000 or greater from the Green Bank, though smaller sized projects could be considered on a case-by-case basis.

C. System Design and Equipment

Depending upon the nature of the financing request, proposals shall provide a design layout for each project (e.g., a solar project would include the make/model, wattage and quantity for both inverters and modules, racking product, azimuth, tilt and system size kW-AC and kW-DC, and the DC:AC ratio). Proposals shall provide specified equipment manufacturer data sheets and warranties, pricing, etc. All equipment shall be new with acceptable warranties that meet industry standards and (as appropriate) be UL Listed.

D. System Production

Where relevant, proposals shall provide details about the estimated kWh-AC to be generated by the project, including all necessary assumptions. A solar project, for example, would include: Insolation (or sunlight availability), maintenance down time, soiling losses, shading losses, efficiency losses, AC losses, etc. Copies of PVSyst or Helioscope reports used to estimate production for each proposed solar system design should be included with the proposal.

E. Project Model

Proposer shall submit a project model setting for the entirety of the project's economics, feasibility and stress-testing. Capital sourcing will include: the Proposer's cash financial commitment; other financing sourced (or to be sourced) – identifying any preferred/mezzanine equity, senior capital, tax equity, grants, as well as identifying each stakeholder providing such capital support and the nature of their commitment (i.e., committed, proposed, likely, or "initial feasibility stage")

F. Other Relevant Information

Depending on the nature of the proposal, Proposer may be required to submit additional supporting information, such as audited financial statements, energy audits or project feasibility studies.

G. Clean Energy Impact

The Proposer's proposal must demonstrate how the Green Bank's investment will leverage additional private capital and support the Green Bank's ambitious environmental / GHG and CO reduction goals, clean energy deployment objectives, public health outcomes, incremental jobs and economic development.

H. Statement on Proposers Financial Strength

Preference is for Proposer to provide three years of audited financial statements and/or last 3 years tax returns

I. Operations, Maintenance and Management Approach

The proposal should include approach to asset management, billing, preventative and corrective operations and management as is relevant to the project for the expected duration of the project's estimated useful life.

IX. Indicative Green Bank Financing Terms

Green Bank financing terms, including financial product type, interest rate and payback period can be tailored to suit each individual project. Green Bank financial terms will be the result of project need as determined by the Green Bank and will follow a satisfactory assessment and due diligence of the following indicative and non-exhaustive areas of review:

- Project and technology type
- Risk (technical, financial, delivery and implementation, and credit)
- Life of the project
- Anticipated energy and carbon savings
- Amount of finance being requested from the Green Bank
- Amount of finance sourced from parties external to the Green Bank

X. PROPOSAL PROCESS

A. Timeline

This is an Open RFP – submissions are to be accepted on a rolling basis until the program is withdrawn.

B. Submittal Process

In submitting a proposal, the following requirements should be observed:

i. Proposals shall be submitted electronically to RFP@ctgreenbank.com. The subject line should be identified as: "OPEN RFP FOR CLEAN ENERGY INVESTMENT".

ii. Proposers may be required to interview with Green Bank staff if deemed necessary.

iii. Transactions which involve financing or investment by the Green Bank at a level of $500,000 or more require approval by (a) the Deployment Committee of the Board (up to $2,500,000) or (b) by the Board (over $2,500,000).

For the remainder or 2020, the Board is scheduled to meet on July 24, October 23 and December 18 and the Deployment Committee is scheduled to meet on September 23 and November 18.

C. Q&A

Respondents can submit questions to RFP@ctgreenbank.com.

XI. EVALUATION

Proposals will be evaluated on the following criteria:

A. Meeting Green Bank Goals – Will the potential activity achieve a meaningful level of energy efficiency, renewable energy deployment, or resiliency goals?

B. Green Bank Essentiality – to what extent is participation by the Green Bank essential to the success of the project? Please be explicit here – Proposers are expected to have sought out other capital (submit which capital providers were contacted, names and e-mail addresses and the response by the capital provider(s) (can be written or a summary of meeting notes)).

C. Project Feasibility – How feasible is the project to achieve its stated goals? What is the basis for this assessment? Has the proposed project been completed elsewhere? If so, provide project location and relationship of the project to the proposer. Provide details of any system performance guarantees.

D. Project Replicability – Could a similar project be replicated in Connecticut or elsewhere, or is this a unique opportunity?

E. Project timetable – total development and construction timeline

F. Relevant Experience – Does the proposer offer relevant and sufficient experience for the type of project being proposed?

G. References
List of three (3) clients for reference use for whom proposer has performed similar services as those contemplated by proposer's project. Include the name, e-mail address and telephone number(s) of the contact person at each reference.

H. Pending Litigation
Description of any litigation, pending judgments, etc., which could affect the proposer's ability to enter into an agreement with Green Bank. A description of the circumstances involved in any defaults by the proposer. If you have been subjected to any outside performance or financial audits in the past three years, state by whom the audit was performed, for whom, the facility involved, and the results of the audit.

XII. GENERAL TERMS AND CONDITIONS

Submission of your proposal assumes the acceptance of the following understandings:

A. Green Bank reserves the right to reject any or all of the proposals received in response to the Open RFP, to waive irregularities or to cancel or modify the Open RFP in any way, and at any Green Bank chooses, in its sole discretion, if Green Bank determines that it is in the interest of Green Bank.

B. Green Bank further reserves the right to make selections under this Open RFP without discussion of the proposals received. Proposals should be submitted on the most favorable terms from a technical, qualifications, and price standpoint.

C. Submissions must be signed by an authorized officer of the Proposer. Submissions must also provide name, title, address and telephone number for individuals with authority to negotiate and contractually bind Proposer, and for those who may be contacted for the purpose of clarifying or supporting the information provided in the proposal.

D. Green Bank will not be responsible for any expenses incurred by any Proposer in conjunction with the preparation or presentation of any proposal with respect to this Open RFP. Legal fees of the Green Bank for the drafting of definitive loan documentation will be the responsibility of the Applicant.

E. Green Bank's selection of a Proposer through this Open RFP is not an offer and Green Bank reserves the right to continue negotiations with the selected Proposer until the parties reach a mutual agreement.

F. **Submission of Proposal by Proposer and Acceptance of Proposal by Green Bank does not constitute an agreement**: The actual terms and conditions under which the Green Bank may be willing to provide a financing facility or investment to the Proposer shall be subject to, inter alia, (i) satisfactory completion by the Green Bank of its due diligence process in scope and with results satisfactory to the Green Bank in the Green Bank's sole and absolute discretion, (ii) the accuracy and completeness of all representations that Proposer makes to the Green Bank, (iii) obtaining necessary internal credit approvals and Green Bank Board of Director authorization and the negotiation, execution and delivery of definitive documentation consistent with the terms ultimately agreed with Proposer and otherwise satisfactory to the Green Bank (iv) no change, occurrence or development shall occur or shall have occurred that has had or could reasonably be expected to have a material adverse effect on the Proposer, their respective businesses or any contemplated collateral for the proposed financing facility or investment (v)(1) all financial projections concerning the Proposer that have been or are hereafter made available to the Green Bank by the Proposer (the "Projections") have been or will be prepared in good faith based upon reasonable assumptions and (2) all information, other than Projections, which has been or is hereafter made available to the Green Bank by the Proposer in connection with any aspect of the proposed project(s) contemplated in the proposal, as and when furnished, is and will be complete and correct in all material respects and does not and will not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements contained therein not misleading.

G. **State Contracting Obligations.** Consultant understands and agrees that the Green Bank will comply with Conn. Gen. Stat. Sections 4a-60 and 4a-60a and all other applicable state contracting requirements as a quasi-public state agency.

H. Confidentiality – All proposals and associated information are treated as commercially confidential. Applicants supplying information to the Green Bank should be aware that we are subject to the provisions of the CT Freedom of Information Act (CT-FOIA) and information provided to us may become the subject of a CT-FOIA access request. We will endeavor to protect all proprietary and commercially sensitive information and will ask your permission before sharing information specific to your proposal with external parties if that information is not already in the public domain (subject to being compelled to release such information due to a CT-FOIA request).

I. Green Bank is subject to the requirements outlined in Sections 16-245n of the Connecticut General Statutes. GREEN BANK SHALL HAVE NO LIABILITY OR OBLIGATION OF ANY SORT HEREUNDER, INCLUDING, WITHOUT LIMITATION, IF FOR ANY REASON OR NO REASON A BINDING AGREEMENT IS NOT ENTERED INTO WITH ANY PROPOSER. IN MAKING ITS SELECTION OF A SUCCESSFUL RESPONDENT, GREEN BANK MAY CONSIDER ANY AND ALL FACTORS AND CONSIDERATIONS WHICH GREEN BANK, IN ITS SOLE DISCRETION, DEEMS RELEVANT, THE RELATIVE IMPORTANCE OF WHICH SHALL BE IN THE SOLE DISCRETION OF GREEN BANK.

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CONNECTICUT GREEN BANK

Memo

To: Connecticut Green Bank Board of Directors

From: Bert Hunter, EVP and CIO

CC: Bryan Garcia, President & CEO; Brian Farnen, General Counsel & CLO; Selya Price, Director, Statutory & Infrastructure Programs; Mackey Dykes, VP, Commercial, Industrial & Institutional Programs; Jane Murphy, Finance and Administration

Date: December 17, 2019

Re: Clean Energy Financing Requests For Proposals (General Solicitations)

Background & Purpose

Per the Comprehensive Plan of the Connecticut Green Bank ("Green Bank"), considerable investment is needed in our state in order to continue progress toward reducing carbon emissions and pursuing sustainable development while confronting climate change. To achieve this overall objective, the Green Bank must:

- Increase and accelerate the impact of its model to support the implementation of Connecticut's climate change plan;
- Scale up investment and impact in Connecticut;
- Draw into the market more investment from private capital sources leveraged by innovative public sector financing; and
- Expand our use of green bonds to increase our access to capital beyond our current sources of funding to scale-up its investment activity, while providing more opportunities to engage Connecticut citizens in the state's growing green economy.

The Green Bank has been recognized for its leadership in financial innovation, leverage of private capital with its limited public resources, as well as positive impact on our environment, public health, jobs and economic development. Programs such as Solar Lease 2 which provided access to capital for contractors to deploy solar PV at scale for commercial and industrial properties across the state changed the way such solar projects are underwritten and financed. Our award-winning commercial PACE program has deployed more than $150 million over 300 projects across the state – and continues to expand. Green Bank's "Solar for All" program has resulted in "solar parity" where low-to-moderate income families now demand solar PV at rates greater than their more affluent counterparts and "beyond parity" when it comes to race (i.e., Black and Hispanic households). Our multifamily programs are bringing the benefits of solar PV and energy efficiency to those families that rent or those that live in common ownership communities.

At the same time, we need to increase our efforts to achieve more impact. Following a discussion with the Green Bank Board of Directors (the "Board") on alternatives for developers and capital providers to gain access to Green Bank resources while affording staff the ability to consider additional investment opportunities, the President and CEO proposed the introduction of an open and ongoing "Request for Proposals" program. In the meantime, staff has reached out to fellow green banks in New York ("NYGB") and Australia (Clean Energy Finance Corporation or "CEFC") to gauge the success and utility of open and ongoing solicitations for project proposals that they have managed for the past 5 plus years.

Following this outreach, staff returns to the Board to seek approval at a broad level to introduce an open and ongoing "Request for Proposals" program (the "Open RFP") in early 2020. This Open RFP will support a variety of developers and capital providers – from emerging developers of commercially established technologies, to well-established manufacturers of emerging technologies and lenders and investors of all types. It is important to note that the Open RFP is not intended to be a venture capital program nor will it seek to assume risks that are more appropriate for other elements of a project's or business's capital stack. At its core, the Green Bank is a special purpose financial institution, with a responsibility to be good stewards of funds committed to it by statute to promote the clean energy and resiliency goals of the state.

The Financing Opportunity

The Open RFP is intended to provide access by project developers and capital providers / investors to Green Bank capital that will catalyze investment which – but for the Green Bank's participation – would either not happen or be realized at a much slower pace or with less impact. Since inception, the Green Bank has demonstrated its ability to work with a variety of developers and capital providers to accelerate investment in clean energy, including energy efficiency as well as commonly known renewable technologies like solar PV, on-shore wind, run-of-the-river hydroelectric power, fuel cells and anaerobic digesters. The Green Bank proposes to commence a process through the Open RFP to:

- Receive proposals for Green Bank investment on an open and rolling basis, as received;
- Evaluate such proposals in accordance with objective and transparent criteria;
- To be "market responsive" and adaptable – meaning that the Green Bank will endeavor to render preliminary responses to proposals in days and weeks rather than months and to offer guidance to those proposals that fall short of our criteria where the proposals offer the promise of significant market potential; and
- To have a sufficient budget for investment in order to deliver significant impact quickly.

Potential for Activity

In discussions with NYGB and CEFC, representatives expressed a positive view of their RFP process. In terms of volume, NYGB has considered approximately $3.5 billion in proposals. While it was not entirely clear whether CEFC track aggregate volume of proposals over time, it is a multiple of the NYGB – with transactions via this process under consideration as of June 30, 2019 totaling requests for A$4 billion (US$2.7 billion) across 80 projects. Clearly, by any measure, the RFP process successfully attracts transactions to these two Green Banks and suggests that the Connecticut Green Bank could expect similar success on a scale more commensurate with the relative size of Connecticut's economy. For example, New York's economy is roughly 5x the size of Connecticut. With about $600 million in proposals on average over 6 years for NYGB, Connecticut might expect $100 to $125 million in proposals annually. While it is not possible to anticipate how many proposals may result in actual transactions worthy of investment – NYGB has committed approximately 20% (or circa $700 million) towards these projects. A similar "yield" for our Green Bank would suggest an annual pace of about $20 to $25 million – well within our financing capacity.

Eligible Technologies

In order to not limit access to promising technologies, some of which may be on the verge of becoming commercially established, staff recommends that the Open RFP be available to any technology that is able to help the Green Bank achieve its statutory mandate as voiced through its Comprehensive Plan which staff reasonably determines: (a) is either already commercially viable (based on success in markets other than Connecticut or even other than the United States) or (b) has demonstrated clear potential for commercial viability through, for instance, well-documented feasibility studies and pilot programs where there is clear evidence of a viable business model and a path to substantial impact.

Financing Arrangements and Capital Support

Staff does not intend for the role of the Green Bank to be prescriptive, but to be determined in a manner that maximizes the potential for leverage of Green Bank resources while balancing the need for risk containment and Green Bank sustainability (i.e., the Green Bank's financial returns vs. the potential for financial losses). As such, staff expects Green Bank investments to take the usual forms, such as:

- Senior and Subordinate loans
    - Construction loans
    - Bridge loans
    - Working Capital loans
    - Term loans
- Loan loss reserves
- Loan guarantees
- Other forms of credit enhancement
- Participation in other lender's loans
- Equity (including participation as a member of a limited liability company, holder of preferred stock or other instruments that could be a hybrid of debt and equity, debt with conversion rights, debt with warrants for equity, etc.)

All of the above, of course, would be considered in accordance with Green Bank operating procedures and its enabling statute.

Eligible Proposers

The Open RFP would accept proposals from:

1) Private sector financial institutions or other third-party capital providers that finance, or intend to finance, clean energy technologies in State of Connecticut (although proposals that are part of a “multi-state” concept will also be welcomed and encouraged); and/or
2) Industry participants including project developers, energy service companies ("ESCOs"), building and facility owner/operators, equipment manufacturers, or others that provide equipment, materials and/or services related to eligible technologies where the object of the activity being proposed is entirely or meaningfully related to the State of Connecticut.

Proposers can apply on a standalone basis or as part of a team, such as a developer/sponsor, lead equipment provider, lead equity and/or debt provider.

Regardless of whether the proposal comes from a standalone entity or as part of a team, proposers must have directly relevant experience in the transaction/project type being submitted, and the relevant technologies.

Requirement for Clean Energy and Financial Impact

Of considerable importance to the program will be achieving leverage of private capital with its limited public resources as the Green Bank seeks to act in furtherance of the Connecticut’s ambitious environmental / GHG and CO2 reduction goals, Green Bank clean energy deployment objectives, and in support of public health outcomes, jobs and economic development.

The most successful proposals to this Open RFP will demonstrate the ability to make significant impact across all of these desired outcomes and the ability to measure and track such performance over time.

Green Bank Capital Commitment

As noted above, if the success of NYGB can be analogous to our condition, the Green Bank may (ultimately) expect upwards of $20 to $25 million in capital requirements for submitted proposals which could annually top $100 million. This capital requirement is quite manageable in the context of both anticipated revenues from the system benefit charge, RGGI revenues, portfolio income and financing capacity (including recently executed lines of credit with commercial banks and the Green Bonds US campaign). Staff proposes for the current fiscal year allocation of up to $5 million in Green Bank capital resources which could come from an existing capital set aside (hence no additional request for FY20). For FY21 and beyond, and depending upon the success of the program, staff will make budgetary requests (e.g., including additional revenues from green bonds issued) commensurate with the Open RFP program’s progress and expected timing of investment needs.

Recommendation

Since the establishment of the finance and program teams, Green Bank has been responsible for the deployment of more than $1.8 billion in capital toward clean energy projects in Connecticut. At the same time, as explained herein, not only does more need to be done, but other Green Banks have demonstrated the success of open and ongoing RFPs to solicit investment proposals. Given the potential for success in Connecticut and our current financial capacity to meet anticipated proposal demands, staff recommends:

A. Board approval for the Open RFP process and the requested $5 million capital allocation for FY20 from existing budgetary authority, with the process eligible for release to the market as soon as possible in calendar 2020; conditioned upon
B. Approval of each transaction under the RFP in accordance with Green Bank operating procedures.

Strategic Plan

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

Yes – the proposed Open RFP operates in support of Green Bank's Comprehensive Plan for Fiscal Year 2020 & Beyond and FY20 budget allocation of $7,500,000 (approximately $2,500,000 of which has been allocated to date to other investments).

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?

To be determined based upon transactions submitted to the Open RFP.

Terms and Conditions

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

To be determined based upon transactions submitted to the Open RFP.

Capital Expended

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

For FY2020, from the overall budget allocation of $7,500,000 (approximately $2,500,000 of which has been allocated to date to other investments), an allocation of $5,000,000 of Green Bank capital is requested.

Risk

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

The maximum risk exposure is $5,000,000 for FY20 resources once committed with the annual program being estimated to result in $20 to $25 million of investments annually.

Financial Statements

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

To be determined based upon transactions submitted to the Open RFP.

Target Market

Who are the end-users of the engagement?

Multiple end-users throughout the State of Connecticut to be determined based upon transactions submitted to the Open RFP.

Green Bank Role, Financial Assistance & Selection/Award Process

The Green Bank will award the capital pursuant to an RFP evaluation process TBD.

Program Partners

To be determined based upon transactions submitted to the Open RFP.

Risks and Mitigation Strategies

To be determined based upon transactions submitted to the Open RFP.

Resolutions

WHEREAS, the Green Bank Board of Directors (the "Board") and the President and CEO support alternatives for developers and capital providers to gain access to Green Bank resources while affording staff the ability to consider additional investment opportunities;

WHEREAS, the Green Bank President and CEO proposed the introduction of an open and ongoing "Request for Proposals" program to create pathways to access Green Bank support;

WHEREAS, staff has diligence the concept for an open Request for Proposals program (the "Open RFP Program") with other green banks, namely the New York Green Bank and Australia's Clean Energy Finance Corporation, which demonstrated the success and utility of an open and ongoing solicitation program for project proposals;

WHEREAS, the Comprehensive Plan and FY 2020 budget identify the need as well as the capacity to manage an initial Open RFP Program; and

WHEREAS, Green Bank staff recommends that the Board approve the establishment of the Open RFP Program as explained in a memorandum to the Board dated December 17, 2019.

NOW, therefore be it:

RESOLVED, that the Board approves Green Bank to establish the Open RFP Program as explained in a memorandum to the Board dated December 17, 2019;

RESOLVED, that all investments from the Open RFP Program above staff level approval limits, presently over $500,000, will require final authorization and approval from either the Deployment Committee ($2.5 million and below) or the Board;

Resolved, that all investments from the Open RFP at or below staff level approval limits, presently under $500,000, will require final authorization and approval from either the Deployment Committee or the Board until the establishment of Board approved program guidelines;

and

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 establishment and operation of the Open RFP Program.

Submitted by: Bert Hunter EVP & CIO and Bryan Garcia, President & CEO

CONNECTICUT GREEN BANK

OPERATING PROCEDURES

PURSUANT TO

Section 16-245n of the
Connecticut General Statutes

Adopted July 18, 2014
Revised December 16, 2016

I. DEFINITIONS

Definitions of terms used in these Operating Procedures are as stated in the Green Bank's Bylaws or in Section 16-245n of the General Statutes.

Clean Energy Project: An activity that (i) promotes investment in clean energy; (ii) fosters the growth, development, and commercialization of clean energy sources and related enterprises; (iii) stimulates demand for clean energy and deployment of clean energy sources that serve end use customers in this state; or (iv) supports the development of advanced technologies that reduce energy use from traditional sources. For purposes of this definition, "clean energy" has the meaning as provided in Connecticut General Statutes § 16-245n(a), as may be amended from time to time.

II. GENERAL PURPOSES

The general purposes of the Connecticut Green Bank shall be as prescribed in Section 16-245n of the General Statutes, and in a resolution of purposes adopted by the Board pursuant to Section 16-245n(d)(1) of the Connecticut General Statutes, including implementation of the Comprehensive Plan (all together referred to in these Operating Procedures as "the purposes of the Green Bank").

III. GOVERNANCE

The Green Bank, a quasi-public authority of the State of Connecticut, shall be governed by a Board of Directors comprised of a number and appointed in a manner as prescribed in Section

16-245n(e) of the General Statutes. The affairs of the Board shall be conducted in accordance with applicable law, the Green Bank's Bylaws, and such policies with respect to corporate governance as may be adopted by the Board.

IV. ADMINISTRATION

The affairs of the Green Bank shall be administered in accordance with applicable law, the Bylaws, these Operating Procedures and other administrative policies as may be adopted by the President in consultation with the Board. The Board shall appoint a President and such other officers as provided in the Bylaws. Under the direction of the Board, such officers shall conduct the business of the Green Bank and shall have such authority as is conferred by applicable law, the Bylaws, these Operating Procedures, and the Board. References in these Operating Procedures to approval by the Board shall mean and include approval by the Board or by any duly constituted committee thereof authorized to act on behalf of the Board pursuant to the Bylaws of the Green Bank.

V. ADOPTION OF ANNUAL OPERATING BUDGET AND PLAN OF OPERATION

Sixty (60) days prior to the close of each fiscal year, the President shall cause to be prepared a suggested Annual Operating Budget for the forthcoming fiscal year, which shall also comprise the Annual Plan of Operation. The suggested Annual Operating Budget for the forthcoming fiscal year shall be considered by the Board prior the close of the then current fiscal year, modified if deemed necessary, and adopted to be effective beginning the first day of the forthcoming fiscal year.

Any expenditure that exceeds the amount annually budgeted for a specific line item in the Annual Operating Budget by an amount greater than ten thousand dollars ($10,000) shall require the approval of the Board.

The Annual Operating Budget shall incorporate the Green Bank's Annual Plan of Operation by specifying operating, programmatic, investment, and other expenses for the forthcoming fiscal year.

VI. COMMUNITY DEVELOPMENT FINANCIAL INSTITUTION

The Green Bank or an affiliate 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, then the Green Bank would be treated as a qualified community development entity for purposes of Section 45D and Section 1400N(m) of the Internal Revenue Code.

VII. PERSONNEL POLICIES

All employees shall be exempt from the classified service and shall have all rights and benefits provided by applicable law. Grade classifications for each job title shall be established by the President, subject to Board approval.

Hiring & Promotions: The President shall, in accordance with the Green Bank's Bylaws, establish a schedule of positions and total staffing levels for the Green Bank. The schedule of positions shall describe the signature authority, if any, of each position. The President, acting on behalf of the Board, may from time to time fill any position on such schedule of positions and within such total staffing levels, except as may otherwise be provided in the Bylaws or any applicable resolution of the Board. The creation of any new Director-level position shall require the separate approval of the Board. For these purposes, “Director-level” means a Green Bank staff position one level under the officers in the Green Bank’s staff organizational chart.

Whenever possible, the Green Bank shall maintain an identifiable career path for each class of positions on the schedule of positions approved by the Board. If the President determines it to be appropriate, then a current employee’s position may be reclassified to another position within said career path. New positions approved by the Board and existing positions that become available as a result of a current employee vacating such position shall be posted internally and, if the President determines it to be appropriate, then publicly advertised in a manner reasonably designed to reach a range of possible applicants. A current employee shall be eligible for reclassification or promotion to an existing or new position only if such employee has at least six (6) months of service with the Green Bank and meets the minimum qualifications for such position.

Notwithstanding any other provision of this section or any employee handbook or other personnel policies of the Green Bank, the position of the President, the manner of the conduct of any search for qualified applicants for such position, and the terms and conditions of employment in such position, including matters of compensation, dismissal, and severance, shall be in the discretion and subject to the approval of the Board. Hiring and promotion shall in all cases be in accordance with the Green Bank’s Affirmative Action Plan and applicable statutes.

Compensation and Benefits: The Board shall establish and may from time to time modify reasonable compensation plans and employee benefits programs and policies as the Board determines to be necessary or appropriate to attract and retain qualified employees and carry out the Green Bank's statutory mission, including:

(a) A compensation plan, which shall consist of sufficient salary grades to provide such compensation rates as may be determined to be necessary or desirable for all job classifications within the Green Bank, and which may include an incentive compensation program for all jobs classifications;

(b) An employee benefits program, which may include, but is not limited to, vacation days, holidays, sick days, group health, life, and disability insurance, tuition reimbursement, length of service awards and other benefits, including eligibility criteria and benefit levels;

(c) A performance evaluation system, which may be used to determine merit increases in salary and incentive compensation levels;

(d) Policies with respect to compensatory time, flex-time, and telecommuting;

(e) Policies with respect to severance pay and benefits;

(f) Policies with respect to business and travel reimbursement; and

(g) Other reasonable compensation and employee benefits programs and policies as the Board determines to be necessary and appropriate to attract and retain qualified employees.

The President shall be empowered to administer the Green Bank's compensation plan and employee benefit programs and policies as approved by the Board, and shall have the authority to approve performance evaluations, determine merit increases and incentive compensation payments, and carry out such other duties and responsibilities as appropriate within the overall salary and employee benefits administration plan, except that performance evaluations and determination of merit or other salary increases and bonus payments for the position of President shall be reserved to the Board or the committee of the Board with responsibility for matters of compensation. The President has the authority to establish and modify certain employee policies involving workplace flexibility that do not in the aggregate have an adverse financial impact on the Green Bank.   The Board shall review the Green Bank's compensation plan and employee benefit programs a part of its annual review of the Green Bank's Operating Budget and Plan of Operation.

Dismissal: Employment with the Green Bank is at-will, which means that either the employee or the Green Bank may terminate the relationship at any time and for any reason, with or without cause. The President may impose any level of disciplinary action, including termination, based upon the severity of the offense requiring discipline and the employee's past work record. This in no way alters the at-will employment policy.

VIII. PURCHASE, LEASE, ACQUISITION POLICY FOR REAL AND PERSONAL PROPERTY

The Green Bank, acting through the President or another duly authorized officer, shall have the authority to invest in, acquire, lease, purchase, own, manage, hold, and dispose of real and personal property, and to lease, convey, or deal in or enter into agreements with respect to such real and personal property, on any terms necessary or incidental to the carrying out of the purposes of the Green Bank.

Procurement Procedures: The Green Bank may purchase, lease, or acquire real and personal property on a bid, negotiated, or open-market basis, including through a sole-source procurement or in such other manner as the President determines to be appropriate and in the best interests of the Green Bank in the circumstances, provided that in the case of any contract or agreement for the purchase, lease, or acquisition of real or personal property requiring an expenditure by the Green Bank in excess of seventy-five thousand dollars ($75,000), wherever possible bids or proposals shall be solicited from at least three (3) qualified parties. The requirements of this subsection shall not be applicable to transactions entered into by the Green Bank primarily for the purpose of providing financial assistance pursuant to Articles XII, XIII and XIV of these Operating Procedures.

IX. CONTRACTING FOR PROFESSIONAL SERVICES

The Green Bank, acting through the President or another duly authorized officer, shall have the authority to engage accountants, attorneys, appraisers, financial advisers, investment advisors, underwriters, investment managers, investment bankers, brokers, architects, construction managers, engineers, and other consultants and professionals on any terms necessary or incidental to the carrying out of the purposes of the Green Bank.

Procurement Procedures: Contracts for professional services shall be awarded by the Green Bank in such manner, including on the basis of a sole-source procurement, as the Board determines to be appropriate and in the best interests of the Green Bank in the circumstances, provided that (i) for such contracts requiring an expenditure by the Green Bank up to and including seventy-five thousand dollars ($75,000) over a period of one (1) fiscal year, the President has sole approval authority; (ii) for such contracts requiring an expenditure by the Green Bank over seventy-five thousand dollars ($75,000) and up to and including one hundred fifty thousand dollars ($150,000) over a period of one (1) fiscal year, the President and the Chairperson must both approve the expenditure; and (iii) for such contracts requiring an expenditure by the Green Bank of over one hundred fifty thousand dollars ($150,000), such contract shall, whenever possible, be awarded on the basis of a process of competitive negotiation where proposals are solicited from at least three (3) qualified parties. The provisions of Section 1-127 of the General Statutes shall apply to the engagement of auditors by the Green Bank.

X. STATE CONTRACTING REQUIREMENTS

Any solicitation of bids or proposals by the Green Bank, and any award of a contract by the Green Bank, shall be subject to all state procurement and contracting requirements applicable to the Green Bank as a quasi public agency of the state

XI. FUNDING SOURCES AND PROCEDURES OF GENERAL APPLICABILITY TO FINANCIAL ASSISTANCE

Funding Sources: Funding sources specifically authorized by the Statute include, but are not limited to:

(a) 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;

(b) Any federal funds that can be used for the purposes specified in Section 16-245n(c) of the General Statutes;

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

(d) Earnings and interest derived from financing support activities for clean energy projects backed by the Green Bank;

(e) If and to the extent that the Green Bank or an affiliate qualifies as a Community Development Financing Institution under Section 4702 of the United States Code, then funding from the Community Development Financing 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

(f) The 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.

Procedures of General Applicability to Financial Assistance:

(a) For clean energy projects, the amount to be financed by the Green Bank and other nonequity financing sources cannot exceed eighty per cent (80%) of the cost of developing and deploying such projects.

(b) For energy efficiency projects the amount to be financed by the Green Bank and other nonequity financing sources cannot exceed one hundred per cent (100%) of the cost of financing such projects.

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

(d) The 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 Section 16-245n(f)(2) of the General Statutes and the Comptroller, and providing details to the public on the Green Bank's Web site; provided that 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 of the General Statutes.

(e) Any entity that receives financing for a clean energy project from the Clean Energy Fund (Fund) shall provide the board an annual statement during the time period that funds are dispersed, certified as correct by the chief financial officer of the recipient of such financing, setting forth all sources and uses of funds for such project in such detail as may be required by the Green Bank. The Green Bank shall maintain any such audits for not less than five (5) 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 Green Bank.

XII. FINANCIAL ASSISTANCE—GRANTS, LOANS OR LOAN GUARANTEES, DEBT AND EQUITY INVESTMENTS

The procedures in this section are generally applicable to the award of grants, loans or loan guarantees, and debt and equity investments for clean energy projects when the Board determines that one of the following methods be used in the selection and award process: (i) competitive selection and award; (ii) programmatic selection and award; or (iii) strategic selection and award. The factors to be considered in choosing the appropriate selection and award method, and the general procedures to be followed in each such case are set forth below.

Competitive Selection and Award

Applicability: Competitive selection and award shall be the preferred method when the Board determines that it is appropriate in the circumstances to invite and consider proposals for a particular clean energy project or projects in a competitive process under an established schedule and pursuant to formal qualification and selection criteria so that proposers and proposals may be evaluated fairly and thoroughly on a comparative basis.

Issuance of RFP: A request for proposals (RFP) shall be published or distributed in a manner that the Green Bank determines will promote broad participation in the competitive process. Deadlines for particular stages in the competitive selection process will be set forth in the RFP. Notice of the RFP shall be posted on the Web site of the Green Bank, may be published in one or more major daily newspapers published in the State, and may also be posted on the Web site of the Connecticut Department of Administrative Services. The RFP itself shall also be posted on the Web site of the Green Bank and shall be mailed to or otherwise made available to interested parties in a reasonable manner.

Eligibility: Each RFP shall be issued pursuant to guidelines established by the Green Bank consistent with the Green Bank's Comprehensive Plan and Annual Operating Budget. Such guidelines shall at a minimum set forth: (i) proposer qualification requirements; (ii) project eligibility criteria; (iii) the nature and amount of financial assistance available from the Green Bank under the program; (iv) the principal selection criteria; (v) any mandatory terms and conditions under which such funding is available; (vi) applicable application, processing, or other program fees; and (vii) the process by which proposals will be considered and acted upon. Such guidelines may be modified, in whole or in part, from time to time and at any time by the Green Bank, consistent with the authorizing resolution of the Board.

Selection Criteria: Selection criteria shall include, as applicable, (i) the eligibility of the proposer; (ii) the proposer's qualifications and experience; (iii) the financial feasibility of the project, including the availability and firmness of required financing; (iv) the cost-effectiveness of the project; (v) the technological characteristics of the project, including the potential for technological improvements and advancements; the project's operational feasibility and commercial applicability; (vi) the jobs created by the project; (vii) the environmental benefits stemming from the project; and (viii) the contributions to be made by the project toward the statutory purposes of the Green Bank and the furtherance of the Comprehensive Plan. Other selection criteria may be established for any RFP, and any weighting of selection criteria shall be in the discretion of the Green Bank as provided in such RFP. If appropriate in the circumstances, then an RFP may be first issued as a request for qualifications, following which those respondents found to be qualified are invited to respond to a final RFP.

Selection Process: The selection process shall be designed to provide for a fair and thorough evaluation of each eligible and qualified proposal, and shall be described in the RFP. The selection process may include the use of a review or scoring team, which may include members of any advisory committee, members of the staff of the Green Bank, and independent members with relevant industry, academic, or governmental experience. No member of any such review or scoring team shall have any financial or other personal interest in any proposed project. Any such review or scoring team shall act in an advisory capacity only and shall not constitute a committee or subcommittee of the Board, and the members of any such review or scoring team shall not be deemed to be public officials as a result of their service thereon. If the Green Bank determines that the responses to the RFP have been insufficient in number or quality to achieve the objectives of a competitive selection and award process or otherwise determines it to be in the best interest of the Green Bank, then the RFP may be extended, withdrawn and reissued, or cancelled at any time.

Selection Decision: One or more proposers may be selected for the purpose of entering into negotiations, if applicable, with respect to a project. Such selection shall be made by the Green Bank after taking into account the established selection criteria, any report or recommendation by staff of the Green Bank, the report of any review or scoring team, and the results of any review and recommendation by any advisory committee to the Board, applied on an equitable basis. If more than one proposal is selected, then they may be ranked in order of preference, which ranking may be based on the recommendation of staff of the Green Bank, such advisory committee, or the review or scoring team.

Notification to Proposers; Effect of Selection: All proposers shall be promptly notified of the results of the selection process. Such results may also be posted on the Web site of the Green Bank. Any such selection and notification is solely for the purpose of qualification for possible negotiation and does not constitute a financing commitment or the award of a contract.

Negotiation: The Green Bank may enter into good faith negotiations with one or more of the selected proposers at such time and in such order as the Green Bank may determine in its discretion consistent with the terms of the RFP. The commencement of such negotiations does not signify a commitment to provide financial assistance or to enter into a contract with a proposer. Either the proposer or the Green Bank may terminate such negotiations at any time for any reason. The Green Bank reserves the right to enter into negotiations with any other proposer at any time. Such negotiations shall not be limited to the scope or terms of the proposal but may include such other matters or different terms as the Green Bank may determine to be in the best interests of the Green Bank.

Award: Upon mutual agreement regarding the terms and conditions of the financial assistance, the Green Bank and the selected proposer may enter into a contract which memorializes the agreed-upon terms and conditions subject to all necessary Green Bank approvals, including the Board or a duly authorized committee of the Board.

Fees and Expenses: The Green Bank may impose reasonable application, processing, or similar fees in connection with the submission and processing of proposals, and may require, as a condition of negotiation with any selected proposer, that such proposer agree to pay costs incurred by the Green Bank, including fees and disbursements of the Green Bank's counsel, consultants, and other professional advisors. Any pre-established application, processing, or other program fees shall be set forth in the RFP.

State Contracting Requirements: Any RFP shall be subject to, and any definitive financing or contracting documents shall include, such provisions as may be required by applicable laws or executive orders, including with respect to non-discrimination and affirmative action.

Other Terms and Conditions: Any RFP may be subject to and include such other terms and conditions, not inconsistent with the requirements of these procedures, as the Green Bank may determine in its discretion to be appropriate and in the best interests of the Green Bank.

Programmatic Selection and Award

Applicability: Programmatic selection and award shall be the preferred method when the Board determines that it is appropriate in the circumstances to invite applications on a continuing or periodic basis for clean energy projects with identified characteristics and to consider such applications under pre-established program-based qualification, eligibility, and selection criteria, but that it is not necessary or appropriate to evaluate such applications on a comparative basis as part of a competitive RFP process. Any such program may be discontinued, suspended, extended, or expanded at any time by the Board based on its determination of what is appropriate and in the best interests of the Green Bank.

Program Guidelines: Each such program shall be authorized by resolution of the Board and operated and administered by the Green Bank pursuant to program guidelines established by the Green Bank consistent with such Board authorization, which shall at a minimum set forth: (i) applicant qualification requirements; (ii) project eligibility criteria; (iii) the nature and amount of financial assistance available from the Green Bank under the program; (iv) the principal selection criteria; (v) any mandatory terms and conditions under which such funding is available; (vi) the application process, including a standard application form; (vii) applicable application, processing, or other program fees; and (viii) the process by which applications will be considered and acted upon. Such program guidelines may be modified, in whole or in part, from time to time and at any time by the Green Bank, consistent with the authorizing resolution of the Board. A general description of each such program, including the applicable program guidelines, and all such modifications, if any, shall be posted on the Web site of the Green Bank.

Approval; Terms and Conditions of Award: Applications shall be subject to the approval of the Board, or of the President or other officer of the Green Bank if and to the extent so authorized in the authorizing resolution of the Board, after taking into account any report or recommendations of the staff of the Green Bank or an advisory committee, if applicable. Financial support for a project under any such program shall be in such amount, and shall be subject to such project-specific terms, conditions, and requirements, as may be determined by the Green Bank within the limits established by the authorizing resolution of the Board and consistent with the program guidelines.

Fees and Expenses: The Green Bank may impose reasonable application, processing, or similar fees in connection with the submission and processing of proposals, and may require, as a condition of negotiation with any selected proposer, that such proposer agree to pay costs incurred by the Green Bank, including fees and disbursements of the Green Bank's counsel, consultants, and other professional advisors. Any pre-established application, processing, or other program fees shall be set forth in the applicable program guidelines.

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Strategic Selection and Award

Applicability: While the utilization of an open and public process, either competitive or programmatic, for awards from the Green Bank is anticipated most often to be in the best interest of the Green Bank and is to be strongly preferred, there are nevertheless recognized to be certain circumstances in which, based on special capabilities, uniqueness of the opportunity, urgency of need, cost, and similar factors, the public interest and the strategic mission of the Green Bank is best served by direct participation by the Green Bank in, and funding of, a particular clean energy project outside of an existing program and absent a competitive process of selection and award. Such strategic selection and award method may be utilized upon an affirmative resolution, adopted by a two-thirds majority of the members of the Board present at a meeting of the Board, determining that the advantages of strategic selection and award clearly outweigh the general public interest in an open and public process based on a finding that at least three (3) of the following characteristics are present and are of predominant importance to the Green Bank:

(a) Special Capabilities: The opportunity is presented by a party with exceptional experience, expertise, or availability, or holding patent or other proprietary rights of special value to the Green Bank.

(b) Uniqueness: The opportunity is one-of-a-kind by virtue of location, high visibility, and leverage with other already committed public or private funding or similar unique attributes.

(c) Strategic Importance: The opportunity has exceptionally strong compatibility with the mission of the Green Bank, including the jobs created by the project or the environmental benefits stemming from the project, or offers the Green Bank an organizational role, participation in governance, a formative or other key role in the industry, high funding leverage potential, broad market reach, exceptional educational or public relations value, or similar special strategic advantages important to the Green Bank.

(d) Urgency and Timeliness: There is an urgent need to act on the opportunity as a result of public exigency or emergency, or a strategically important opportunity would become unavailable as a result of delay, or it would take an unacceptable length of time for a similar opportunity to reach the same level of readiness.

(e) Multiphase Project; Follow-on Investment: The opportunity relates to the next phase of a multiphase proposal or the expenditure is necessary to support or protect an existing the Green Bank investment or initiative.

Other Requirements: Awards made by strategic selection and award shall to the extent applicable be otherwise subject to the same (i) Board of Director or Deployment Committee approval requirements and (ii) procedures set forth with respect to competitive selection and award under the headings “Negotiation”, “Award”, “Fees and Expenses”, “State Contracting Requirements”, and “Other Terms and Conditions”. If the Board of Directors approves of an open competitive process of selection and award with established criteria to encourage the investment and deployment of clean energy sources in Connecticut, such award will not be considered a strategic selection and the additional requirements for a strategic selection shall not be required.

XIII. ISSUING AND RETIRING BONDS, BOND ANTICIPATION NOTES, AND OTHER OBLIGATIONS OF THE GREEN BANK

The Board shall approve the issuance and retirement of all bonds, bond anticipation notes, and other obligations of the Green Bank. Such approval may include, but not be limited to, their form, denominations, maturities, rates, prices, public or private sales, and other provisions important or necessary for their issuance or retirement, including the payment of all expenses, premiums, and commissions in connection therewith.

XIV. SURPLUS FUNDS

Surplus funds generated through the sale of bonds, bond anticipation notes, or other obligations of the Green Bank, to the extent not needed for the payment of interest and principal due on any payment of said bonds, bond anticipation notes, or other obligations, if any accrued by the Green Bank, shall be withdrawn and transferred to the Green Bank's Operating Account at such times as is permitted under applicable resolutions for the bonds, bond anticipation notes, or other obligations to be used for any lawful purposes of the Green Bank.

XV. PERIODIC REVIEW; AMENDMENT OF PROCEDURES

At least annually, the Audit, Compliance, and Governance Committee of the Board shall meet to review and discuss the matters addressed by these Procedures and, if deemed necessary, to make recommendations for amendment of these Procedures to Board. Amendments to these Procedures shall be effective only upon adoption of such amendments by a two-thirds vote of the Board.

* * *

Connecticut Green Bank

State Supported Solar Home Renewable Energy Credit,
Green Liberty Bonds, Series 2020
(Federally Taxable) (Climate Bond Certified)

On July 15, the Green Bank **successfully sold its inaugural offering of $16,795,000 Green Liberty Bonds**!

The pricing process took place over two days – Tuesday, July 14 and Wednesday, July 15. The Retail Priority order period on Tuesday garnered very strong demand for bonds maturing in 2021 and 2022, and orders for bonds were received at all points in the structure, including for the Term Bond maturing in 2035. The bonds were offered with yields ranging from 1.00% in November of 2021 to 2.75% in November of 2035.

The underwriter and senior manager for the sale of the bonds is Ramirez & Co (i.e., Al Quintero and Brad Friedman) and the co-manager is Stifel. Bob Lamb of Lamont Financial is our Financial Advisor and Bruce Chudwick of Shipman and Goodwin served as our bond counsel.

The Green Liberty Bonds were **created in honor of the 50th anniversary of Earth Day** – a type of "green bond" whose proceeds are used to invest in projects that confront climate change in Connecticut. **Modelled after the Series-E War Bonds of the 1940's**, the bonds must be able to be purchased by everyday citizens through smaller denominations – no more than $1,000, enabling these smaller investors to invest in green projects for others in their community to "save, for the planet". We were (are) **focused on increasing retail purchasers of green bonds** whose proceeds are used to confront climate change.

We received a lot of press from the promotion, including:

- **Renewable Energy World** – "Connecticut Green Bonds Offer Residents a Chance to Fund War on Climate Change" – click here.

- **PV Magazine** – "New Retail Climate Bonds Category, Patterned after WW2 Bonds and Designed to Aid Rooftop Solar Uptake, Debut" – click here.

In terms of the retail purchasing, individuals accounted for 74% of the retail orders with the balance from professionally managed retail accounts such as private wealth managers and bank trusts. **Total retail orders exceeded $9.9 million including $4.9 million from Connecticut residents with the remaining $5.0 million from people across the country**. Approximately $5 million of the retail orders were usable, meaning that they corresponded to maturities where like amounts were available for purchase. Retail orders for bonds maturing in 2021 totaled over 4.8x the number of bonds available. With retail oversubscription in the front end of the structure, the underwriters were able to lower yields in the first two maturities by 5 and 2 basis points, respectively, prior to the institutional order period.

The success of the retail order period was particularly outstanding when compared to the retail results of other issuers. **It was very unusual to see such a turnout of individual investors, and Connecticut residents specifically, to make direct purchases, as opposed to having institutions buy on behalf of large groups of such individuals**. Before the date of sale, the Green Bank was able to use an extensive e-mail list of homeowners and businesses that have participated in Green Bank programs and conducted two webinars in order to stimulate interest in the bond issue – www.greenlibertybonds.com.

The institutional order period, which took place from approximately 9:30am until 11:00am on Wednesday July 15, **saw interest from multiple ESG buyers**. As the Green Bank had planned, a significant number of the bonds had been spoken for by individual buyers, in particular the 2021 and 2022 maturities, and accordingly those bonds were not available for institutional purchasers. Having so many of the bonds pre-sold to retail investors bolstered a favorable supply/demand dynamic for the Green Bank's offering. **Large institutional orders totaling $5.1 million were received for the 2023, 2027-2030, maturities with anchor orders from Elements Financial (a socially conscious credit union out of Indiana) and Wasmer Schroeder. Almost the entire 2027 maturity was purchased by an institutional ESG investor as a result of direct outreach by the Green Bank.**

After completion of the institutional order period, the underwriters finalized the purchase the Green Bank's Green Liberty Bonds with yield adjustments in maturities that had not yet been spoken for by investors. In particular, yields were raised by 5 basis points for maturities in 2024-2027 and by 15 basis points for the 2035 Term Bond maturity. After the yield adjustment, approximately **$5 million of the Term Bond was placed with an institutional money manager based in Connecticut**.

The **Green Bank was successfully able to place its $16.8 million bonds with final yields ranging from 0.95% to 2.90%**, approximately 28 to 61 basis points lower than corresponding maturities of the State's taxable General Obligation bonds that priced in late May. Overall the Green Bank was able to achieve a True Interest Cost (TIC) of 2.61% to help continue to fund its clean energy programs for years to come. **This represents a considerable improvement over the 5.25% yield for the ABS bonds issued in April 2019** (without the benefit of the State Special Capital Reserve Fund – although the $36.8M senior bonds in the ABS structure yielded 5.15%).

The Green Bank greatly appreciates and recognizes the assistance of the staffs of the Office of the State Treasurer and of the Office of Policy and Management in making the inaugural issue of the Green Liberty Bonds a success!

In the coming weeks, we are going to plan something to further commemorate this important occasion.

Appreciatively,

Inaugural Green Liberty Bond Team

Bryan Garcia
President & CEO, Connecticut Green Bank

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CONNECTICUT GREEN BANK

Memo

To: Connecticut Green Bank Board of Directors

From: Bryan Garcia (President and CEO), Bert Hunter (EVP and CIO), and Matt Macunas (Associate Director)

CC: Senior Staff of the Green Bank

Date: July 24, 2020

Re: USDA RUS RESP Loan Application (Revised to include the Rolling Open RFP Program)

Background
On April 4, 2020, the Rural Utilities Service ("RUS"), an agency of the United States Department of Agriculture ("USDA"), issued a notice in the Federal Register soliciting Letters of Intent ("LOI") for loan applications under Rural Energy Savings Program ("RESP") for FY2020– see Appendix A.

The purpose of RESP is to help rural[1] families and small businesses achieve cost savings by providing loans to qualified consumers through eligible entities to implement durable cost-effective energy efficiency, renewable energy, energy storage, or energy conservation measures.

Eligible entities, such as the Connecticut Green Bank ("Green Bank"), are eligible to:

- Apply for loans up to 20 years at 0% interest rate ("RESP Loan");
- Relend to end-users who are qualified consumers up to 5% interest rate for up to 10 years; and
- Request a special advance equal in amount of up to 4% of the RESP Loan for start-up costs ("RESP Special Advance")

Consistent with its Comprehensive Plan, the Green Bank will apply to the USDA to access low-cost and long-term federal loan funds (i.e., the RESP Loan) for the deployment of clean energy in rural communities[2] – see Appendix A for Connecticut-eligible communities.

On May 14, 2020, with the assistance of the American Green Bank Consortium and the Environmental and Energy Study Institute, the Green Bank applied to the RUS for a RESP Loan through an LOI – see Attachment B. Consistent with its Comprehensive Plan, the Green Bank proposed that proceeds from the RESP Loan would be used to support the following loan programs:

- Commercial Property Assessed Clean Energy ("C-PACE")
- Green Bank Solar Power Purchase Agreement ("PPA")
- Shared Clean Energy Facilities ("SCEF")
- Smart-E Loan

[1] Towns with less than 50,000 population
[2] https://ctgreenbank.com/wp-content/uploads/2020/06/Green-Bank_Revised-Comprehensive-Plan_062620.pdf (p. 18)

- On-Bill Repayment Program[3]
- Rolling Open RFP Program

On May 18, 2020, the Green Bank was notified by the RUS that its LOI had been received. On July 1, 2020, the RUS notified us that the LOI was found to be consistent with the RESP regulations, and therefore invited the Green Bank to submit a RESP loan application in an amount of our requested $10 million. (See LOI attached as Appendix B.)

Application Process
After a phone consultation with the relevant RESP staff leaders on July 15, 2020, the Green Bank is now in the process of assembling the information for submission of the loan application, including:

1. Cover letter;
2. Board resolution;
3. Articles of Incorporation or other applicable organizational documents currently in effect;
4. Multi-tier environmental compliance agreement;
5. Long-range financial forecast;
6. Energy efficiency program implementation work plan; and
7. Any additional federal compliance forms.

The Green Bank staff expects that it will submit the loan application around Labor Day – September 7, 2020.

Consistent with the LOI and the RUS regulations for the RESP Loan, staff requests approval by the Green Bank Board of Directors for (a) submission of the RESP Loan application, (b) the establishment of the energy efficiency programs set forth in the LOI to the RUS as set forth in Appendix B attached to this memorandum as well as the addition of the Rolling Open RFP Program to be set up by the Green Bank with RESP Loan funds to provide financing to qualified consumers, and (c) entering into all definitive agreements and documentation related to the RESP Loan with the RUS of the USDA.

Deleted: these resolutions

Resolution

WHEREAS, consistent with its Comprehensive Plans, the Connecticut Green Bank has been seeking opportunities over the past five (5) years to access low-cost and long-term federal funding from the United States Department of Agriculture ("USDA"), United States Department of Energy ("DOE"), and other agencies to support its mission;

WHEREAS, on April 2, 2020, the Rural Utilities Service ("RUS") of the USDA issued within the Federal Register (Vol. 85, No. 64), an "Announcement of Funding Availability, Loan Application Procedures, and Deadlines for the Rural Energy Savings Program ("RESP")";

WHEREAS, on April 29, 2020, the American Green Bank Consortium, a membership organization for green banks, informed the Connecticut Green Bank of the RESP, and provided technical assistance resources to the Connecticut Green Bank through the Environmental and Energy Study Institute;

[3] CGS §16a-40m

WHEREAS, on May 14, 2020, the Connecticut Green Bank filed a Letter of Intent ("LOI") with the RUS for a RESP Loan, including an overview of the organization, proposed program descriptions consistent with its Comprehensive Plan, evaluation, measurement, and verification framework, balance sheet, eligible Connecticut towns, and performance measures and indicators; and

WHEREAS, on July 1, the USDA notified the Connecticut Green Bank that it had received and reviewed its LOI, and invited it to proceed with a full application for a $10 million RESP Loan.

NOW, therefore be it:

RESOLVED, that the Board of Directors of the Connecticut Green Bank, pursuant to the information provided by the Staff in a memo dated July 24, 2020, has determined that the request for funding from the RESP is consistent with the Comprehensive Plan of the Connecticut Green Bank; and

RESOLVED, that the Board of Directors approves of the Staff to submit any and all necessary information for a complete RESP Loan Application consistent with the process outlined by the RUS staff of the USDA no later than September 28, 2020; and

RESOLVED, that the Board of Directors authorizes and approves the establishment of the energy efficiency programs set forth in the LOI to the RUS as set forth in Appendix B attached to these resolutions as well as the addition of the Rolling Open RFP Program approved by the Board at its the December 20, 2019 meeting, all to be set up by the Green Bank with RESP Loan funds to provide financing to qualified consumers so that they can implement durable cost-effective energy efficiency and clean energy measures.

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 RESP Loan 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: Bryan Garcia (President and CEO), Bert Hunter (EVP and CIO), and Matt Macunas (Associate Director)

Appendix A

Towns Eligible in Connecticut for Investment through RESP

Town	Population	Town	Population	Town	Population
Andover	3223	Granby	11305	Prospect	9736
Ansonia	18860	Griswold	11693	Putnam	9360
Ashford	4234	Groton	39105	Redding	9209
Avon	18338	Guilford	22285	Ridgefield	25070
Barkhamsted	3671	Haddam	8267	Rocky Hill	20137
Beacon Falls	6115	Hampton	1861	Roxbury	2103
Berlin	20519	Hartland	2041	Salem	4126
Bethany	5504	Harwinton	5469	Salisbury	3631
Bethel	19551	Hebron	9522	Scotland	1653
Bethlehem	3452	Kent	2824	Seymour	16522
Bloomfield	20952	Killingly	17170	Sharon	2721
Bolton	4928	Killingworth	6414	Shelton	41155
Bozrah	2567	Lebanon	7256	Sherman	3641
Branford	28094	Ledyard	14850	Simsbury	24519
Bridgewater	1706	Lisbon	4272	Somers	11137
Brookfield	17013	Litchfield	8198	South Windsor	25823
Brooklyn	8243	Lyme	2469	Southbury	19754
Burlington	9607	Madison	18183	Southington	43763
Canaan	1196	Mansfield	25977	Sprague	2929
Canterbury	5074	Marlborough	6394	Stafford	11890
Canton	10306	Middlebury	7661	Sterling	3762
Chaplin	2329	Middlefield	4385	Stonington	18436
Cheshire	29208	Middletown	46473	Suffield	15662
Chester	4268	Monroe	19621	Thomaston	7623
Clinton	12976	Montville	19094	Thompson	9343
Colchester	15927	Morris	2288	Tolland	14766
Colebrook	1518	Naugatuck	31481	Torrington	34737
Columbia	5421	New Canaan	20273	Trumbull	36174
Cornwall	1302	New Fairfield	13992	Union	873
Coventry	12422	New Hartford	6755	Vernon	29157
Cromwell	13973	New London	27032	Voluntown	2559
Darien	21759	New Milford	27196	Wallingford	44771
Deep River	4493	Newington	30323	Warren	1432
Derby	12596	Newtown	27853	Washington	3472
Durham	7248	Norfolk	1503	Waterford	19052
East Granby	5256	North Branford	14208	Watertown	21832
East Haddam	9032	North Canaan	3302	Westbrook	6904
East Hampton	12856	North Haven	23786	Weston	10288
East Haven	28860	North Stonington	5242	Westport	27840
East Lyme	18766	Norwich	39567	Wethersfield	26267
East Windsor	11379	Old Lyme	7431	Willington	5912
Eastford	1721	Old Saybrook	10118	Wilton	18542
Easton	7558	Orange	13937	Winchester	10798
Ellington	16041	Oxford	13022	Windham	24688
Enfield	44455	Plainfield	15114	Windsor	28917
Essex	6599	Plainville	17720	Windsor Locks	12613
Farmington	25546	Plymouth	11782	Wolcott	16652
Franklin	1842	Pomfret	4173	Woodbridge	8868
Glastonbury	34578	Portland	9362	Woodbury	9617
Goshen	2903	Preston	4666	Woodstock	7813

Appendix B

845 Brook Street, Rocky Hill, CT 06067
T 860.563.0015
ctgreenbank.com

CONNECTICUT
GREEN BANK

May 14, 2020

Mr. Christopher A. McLean
Assistant Administrator, Electric Program Rural Utilities Service
United States Department of Agriculture
1400 Independence Avenue, SW Stop 1560
Washington, DC 20250-1560

RE: Intent to Apply for a Rural Energy Savings Program Loan

Dear Administrator McLean,

This letter confirms that Connecticut Green Bank intends to seek a Rural Energy Savings Program loan from the United States Department of Agriculture Rural Utilities Service (RUS) pursuant to the Notice of Solicitation of Applications (NOSA) for Fiscal Year 2020 (FY2020) published in the Federal Register 85 FR 18549 on April 2, 2020. Connecticut Green Bank hereby represents that it meets all the requirements as specified in the NOSA and herewith submits the mandatory information required to comply with the first step of the loan application process.

Connecticut Green Bank intends to submit a complete application on or before the due date specified in the Invitation to Proceed for step-2 of the process and commits to diligently collaborate with the RUS General Field Representative to complete the application in a timely manner. Connecticut Green Bank acknowledges that RUS may not consider our loan application complete (Step-2) if we fail to provide the information requested by RUS in its screening process (Step-1).

Applicant's Profile and Point of Contact
Connecticut Green Bank is a quasi-state entity created by Connecticut General Statutes Section 16-245n, formed in 2011 through Public Act 11-80, with its principal place of business located in 845 Brook Street, Building #2, Rocky Hill, CT 06067. The DUN and Bradstreet (D&B) DUNS number for Connecticut Green Bank is 078382443 and our tax identification number is 45-2746525. Connecticut Green Bank will be a new RUS borrower.

Connecticut Green Bank serves all electric ratepayers in the state of Connecticut, with a population of approximately 3.6 million and approximately 1.8 million metered accounts.[1] Connecticut Green Bank has net assets in the amount of $76.3 million.[2] It is hereby affirmed that Connecticut Green Bank has never been in receivership or bankruptcy nor is it under a workout agreement over the last 10 years (in fact, never). Connecticut Green Bank holds operating reserves in the amount of $15.1 million (i.e., 8.4% of $180.6 million invested assets) as a provision or reserve for loan losses. A copy of Connecticut Green Bank's Balance Sheet is submitted with this letter of intent – see Appendix A. Connecticut Green Bank intends to be the legal borrower or (if permissible in accordance with RUS requirements) we may for the requirements of the financing structure request that the legal borrower will be a wholly owned and controlled subsidiary.

The point of contact during the application process will be Matt Macunas, Legislative Liaison and Associate

[1] The applicant will need to identify its service area by its service area map and identify whether it serves customers in all or part of the population within the town or city and/or county boundaries. Information needs to be provided as to the extent it serves all or part of the population within the town or city and/or county boundaries. The applicant will need to identify/state/list how many meters it serves its customers with, within its service area. If the service area of proposed borrower extends beyond the town or city and/or county boundary, the number of meters within each of the service boundaries needs to be stated/listed.

[2] FY19 Comprehensive Annual Financing Report

Director, who has been duly authorized to carry out the necessary actions to complete the RESP loan application. He can be contacted at 845 Brook Street, Rocky Hill, CT 06067, (860) 257-2889, or matt.macunas@ctgreenbank.com. Additional information about Connecticut Green Bank is available at www.ctgreenbank.com.

Project Description
Connecticut Green Bank seeks a RESP loan in the amount of $10 million to carry out a relending program to implement energy efficiency measures to qualified consumers within eligible communities – see Appendix B. Proceeds from the RESP loan will be used to replicate and scale-up existing programs in eligible communities to increase the impact and reach of the Connecticut Green Bank through one or more of the following programs:[3]

- **Program A: Commercial Property Assessed Clean Energy** (C-PACE) **Loan** – In 2012, Connecticut passed legislation that gave property owners access to a new form of financing for building energy upgrades through Commercial & Industrial Property Assessed Clean Energy (C-PACE). C-PACE allows Connecticut building owners to access cleaner, cheaper, and more reliable energy. The Connecticut Green Bank was empowered by legislation to make PACE loans to commercial building owners and administer the C-PACE program, which has been looked at as a model nationally. These loans are billed on a recurring basis under an agreement between the Green Bank and municipalities across the state. With RESP funding – Connecticut Green Bank will be able to lower its interest rates to customers to 5% *or less* for projects up to 10 years (the 10-year rate is currently 5.5%), helping to accelerate the adoption of green energy by making it more accessible and affordable.
- **Program B: Green Bank Solar PPA** (Solar PPA) – In 2013, the Green Bank launched our "Green Bank Solar PPA" (power purchase agreement) for multifamily, small business, educational and commercial properties. The affordability for income challenged customers in rural parts of our state could benefit greatly if the Green Bank could utilize RESP funds as part of the capital used to provide solar benefits to these customers. In many cases, these customers are unable to use the tax benefits and depreciation associated with solar ownership. In these cases, the PPA allows a 3rd party owner to assume the ownership burden of the solar PV system while providing the rural customer solar benefits (lower price for energy vs grid energy). The Green Bank collects PPA revenues via a recurring bill process – usually using the C-PACE collection process in Program A above OR alternatively using a direct recurring bill system which remits proceeds to the Green Bank. This program will greatly expand solar to this underserved market of our state.
- **Program C: Shared Clean Energy Facilities** (SCEF) **Loan** – Quite often, our rural families and small businesses are unable to qualify on credit terms for solar. On other occasions, they don't own their residence or place of business – or live in a shared dwelling unit making solar a poor fit for their circumstances. This is where Shared Clean Energy Facilities (SCEF – aka "community solar") come in. A clean energy contractor will develop a SCEF project and energy credits become available to customers that qualify under the RUS guideline. As with the Green Bank Solar PPA program, the Green Bank collects PPA revenues via a recurring bill process – in this case using a direct recurring bill system, remitting proceeds to the Green Bank. Again, this program will greatly expand solar to this underserved market of our state.
- **Program D: Smart-E Loan** – The Green Bank has made loans for energy efficiency and other clean energy (mostly solar PV) available through our network of local lenders who benefit from a loan loss reserve provided by the Green Bank. This loan loss reserve has enabled more than 5,000 families throughout Connecticut to lower their energy use and save hundreds of dollars annually. The RIS 0% funds will enable Green Bank to partner with a Federally designated Community Development Financial Institution (CDFI) to service and collect recurring bill payments from residential customers for the Green Bank. This RUS-inspired arrangement will permit the Green Bank to bring interest rates below 5% for our 10-year product (currently 5.99%) which would be a tremendous benefit for our rural families and underserved communities. We also see broadening this program to include a loan to finance Energy Storage which, is

[3] Green Bank staff members to be included in supporting the implementation of these relending programs include: Louise Della Pesca (Associate Director of Clean Energy Finance), Mackey Dykes (VP of Financing Programs), Isabelle Hazlewood (Manager of Market Development), Bert Hunter (EVP and CIO), and Selya Price (Director of Incentive Programs).

currently developing an incentive program for residential behind the meter battery storage systems. Given the large upfront costs of battery storage, Green Bank could use RESP funds to develop a complementary financing offering to assist rural customers in installing battery storage systems to improve power reliability.

- **Program E: On-Bill Repayment (OBR) Program Loan** – The Green Bank, as authorized by Connecticut General Statute Section 16a-40m, has the ability to launch a residential on-bill repayment (OBR) program in Connecticut funded by RESP capital. As a green bank, we would apply to RESP for approval under this Program E to finance deployment of all eligible measures under RESP for this OBR program, including EE, solar PV, ground source heat pumps and battery storage devices. The RESP program's 20-year, 0% capital will enable us to create a great OBR program for rural customers with a very low capital source, which then we can reloan at low-interest rates. This, in turn, entails affordable monthly repayments for participants.

The performance of Programs A, B & D in terms of investment, economic development, and energy and environmental protection have been substantial over the past five years (i.e., FY15-FY19) – see Appendix C.

Evaluation, Measurement and Verification (EM&V)
The Green Bank has established an Evaluation Framework[4] to guide the assessment, monitoring and reporting of the program impacts and processes, including, but not limited to energy savings (e.g., pre versus post retrofit energy burden reduction) and clean energy production (e.g., pre versus post retrofit measurement) and the resulting societal impacts or benefits arising from clean energy investment. As part of its annual financial audit, the Green Bank also undergoes a separate independent external review of the metrics and underlying data collection and calculation methods outlined in the non-financial statistics section of its Comprehensive Annual Financial Report[5] to verify program performance. On a program basis, the Green Bank evaluates loans for energy efficiency and clean energy/solar PV as follows:

Program	Evaluation Process
▪ Program A: C-PACE	▪ Technical Review Report (3rd party engineer) incl review of utility bills[6]
▪ Program B: Green Bank Solar PPA	▪ Technical Review Report (usually with 3rd party engineer) incl review of utility bills[6]
▪ Program C: SCEF Program	▪ Solar Feasibility Study (3rd party engineer)
▪ Program D: Smart-E Loan	▪ Approval of installed measures using the utilities approved list of measures and technical standards[7]

And Lastly, Connecticut Green Bank commits to immediately notify RUS in writing should we decide to withdraw from consideration for the RESP loan before submitting the complete application.

Sincerely,

Bryan Garcia
President and CEO
Connecticut Green Bank
845 Brook Street
Rocky Hill, CT 06067

Enclosures

[4] https://ctgreenbank.com/wp-content/uploads/2017/02/CTGreenBank-Evaluation-Framework-July-2016.pdf
[5] https://ctgreenbank.com/wp-content/uploads/2019/11/2019-Green-Bank-CAFR-FINAL-10-31-19.pdf -- See in particular pages 86, 109-110, 117
[6] https://www.cpace.com/Portals/0/Program%20Guidelines/APPENDIX%20D%20-Technical%20Standards_10_29_18.pdf
[7] https://www.energizect.com/sites/default/files/uploads/Smart-E%20Eligible%20Measures%20V020119.pdf

APPENDIX A

Balance Sheet[8][9] of the Connecticut Green Bank (FY17-FY19) – In Thousands

	FY17	FY18	FY19
Current Assets	$53,623	$30,021	$34,135
Non-Current Assets	$137,631	$155,960	$176,893
TOTAL ASSETS	**$191,254**	**$185,981**	**$211,028**
Deferred Outflow of Resources	$11,834	$27,705	$12,317
Current Liabilities	$14,025	$14,119	$17,716
Non-Current Liabilities	$82,347	$107,561	$127,370
TOTAL LIABILITIES	**$96,372**	**$121,680**	**$145,086**
Deferred Inflow of Resources	-	$672	$1,977
TOTAL NET POSITION	**$106,716**	**$91,335**	**$76,282**

APPENDIX B

Towns Eligible in Connecticut for Investment through RESP Funding[10]

Town	Population	Town	Population	Town	Population
Andover	3223	Guilford	22285	Salem	4126
Ansonia	18860	Haddam	8267	Salisbury	3631
Ashford	4234	Hampton	1861	Scotland	1653
Avon	18338	Hartland	2041	Seymour	16522
Barkhamsted	3671	Harwinton	5469	Sharon	2721
Beacon Falls	6115	Hebron	9522	Shelton	41155
Berlin	20519	Kent	2824	Sherman	3641
Bethany	5504	Killingly	17170	Simsbury	24519
Bethel	19551	Killingworth	6414	Somers	11137
Bethlehem	3452	Lebanon	7256	South Windsor	25823
Bloomfield	20952	Ledyard	14850	Southbury	19754
Bolton	4928	Lisbon	4272	Southington	43763
Bozrah	2567	Litchfield	8198	Sprague	2929
Branford	28094	Lyme	2469	Stafford	11890
Bridgewater	1706	Madison	18183	Sterling	3762
Brookfield	17013	Mansfield	25977	Stonington	18436
Brooklyn	8243	Marlborough	6394	Suffield	15662
Burlington	9607	Middlebury	7661	Thomaston	7623
Canaan	1196	Middlefield	4385	Thompson	9343
Canterbury	5074	Middletown	46473	Tolland	14766
Canton	10306	Monroe	19621	Torrington	34737
Chaplin	2329	Montville	19094	Trumbull	36174
Cheshire	29208	Morris	2288	Union	873
Chester	4268	Naugatuck	31481	Vernon	29157
Clinton	12976	New Canaan	20273	Voluntown	2559
Colchester	15927	New Fairfield	13992	Wallingford	44771
Colebrook	1518	New Hartford	6755	Warren	1432
Columbia	5421	New London	27032	Washington	3472
Cornwall	1302	New Milford	27196	Waterford	19052
Coventry	12422	Newington	30323	Watertown	21832
Cromwell	13973	Newtown	27853	Westbrook	6904
Darien	21759	Norfolk	1503	Weston	10288

[8] FY18 CAFR - https://www.ctgreenbank.com/wp-content/uploads/2018/10/Green-Bank-CAFR_2018.pdf (p.15-16)
[9] FY19 CAFR - https://www.ctgreenbank.com/wp-content/uploads/2018/10/Green-Bank-CAFR_2018.pdf (p. 24-25)
[10] This represents 150 of 169 cities and towns in Connecticut with a total and 2.06 million of 3.58 million population

Deep River	4493	North Branford	14208	Westport	27840
Derby	12596	North Canaan	3302	Wethersfield	26267
Durham	7248	North Haven	23786	Willington	5912
East Granby	5256	North Stonington	5242	Wilton	18542
East Haddam	9032	Norwich	39567	Winchester	10798
East Hampton	12856	Old Lyme	7431	Windham	24688
East Haven	28860	Old Saybrook	10118	Windsor	28917
East Lyme	18766	Orange	13937	Windsor Locks	12613
East Windsor	11379	Oxford	13022	Wolcott	16652
Eastford	1721	Plainfield	15114	Woodbridge	8868
Easton	7558	Plainville	17720	Woodbury	9617
Ellington	16041	Plymouth	11782	Woodstock	7813
Enfield	44455	Pomfret	4173		
Essex	6599	Portland	9362		
Farmington	25546	Preston	4666		
Franklin	1842	Prospect	9736		
Glastonbury	34578	Putnam	9360		
Goshen	2903	Redding	9209		
Granby	11305	Ridgefield	25070		
Griswold	11693	Rocky Hill	20137		
Groton	39105	Roxbury	2103		

APPENDIX C

Performance Measures and Indicators (FY 2015 – FY 2019)[11]

Performance	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
INVESTMENT MEASURES AND INDICATORS					
Private Investment ($MM's)	$267.1	$282.9	$172.6	$218.1	$312.8
Public Investment ($MM's)	$57.1	$39.3	$33.6	$34.8	$40.7
Total Investment ($MM's)	$324.1	$322.1	$206.2	$252.9	$353.5
Leverage Ratio	5.7	8.2	6.1	7.3	8.7
Tax Revenues ($MM's)[12]	$17.6	$15.6	$9.4	$10.9	$17.9
ECONOMIC DEVELOPMENT MEASURES AND INDICATORS					
Job-Years Created[13]	4,404	4,855	1,994	2,169	3,355
Families Reached[14]	7,435	7,876	5,693	7,677	9,361
Businesses Reached[15]	20	81	70	96	4,397[16]
Accessible-Affordable ($MM's)[17]	$71.9	$124.3	$98.9	$116.7	$147.5
ENERGY AND ENVIRONMENTAL PROTECTION MEASURES AND INDICATORS					
Clean Energy Deployed (MW)	62.4	66.1	50.0	57.5	73.3
Clean Energy Produced (LT MWh)	1,882,128	2,109,318	1,656,199	1,845,529	2,268,236
Energy saved (LT MMBtu)	6,168,294	8,150,643	9,776,863	7,219,075	7,174,436
GHG Emissions Avoided (LT T)[18]	1,047,450	1,129,276	847,708	993,233	1,183,050
Equiv. LT Gallons of Gas (MM)	106.9	115.3	86.5	101.4	120.8
SOx Emissions Avoided (LT lbs)	1,153,343	955,609	505,071	553,868	662,949
NOx Emissions Avoided (LT lbs)	1,197,328	1,197,328	752,256	846,468	1,013,419
$PM_{2.5}$ Emissions Avoided (LT lbs)	86,374	98,419	71,772	84,596	101,137

[11] FY 2019 Comprehensive Annual Financial Report of the Connecticut Green Bank – including Statement of Non-Financial Statistics Auditor by Kestrel Verifiers (95).
[12] https://www.ctgreenbank.com/wp-content/uploads/2018/09/CGB-Eval-Tax-Methodology-7-24-18.pdf
[13] https://www.ctgreenbank.com/wp-content/uploads/2018/03/CGB_DECD_Jobs-Study_Fact-Sheet.pdf
[14] Through CT Solar Lease, RSIP, Smart-E Loan, Solar for All, MFAH, and CT Solar Loan programs
[15] Through C-PACE, Solar PPA, CHP, AD, and SBEA programs
[16] Partnership with Eversource and Avangrid in support of Small Business Energy Advantage Program (4,339 projects)
[17] Total investment in less than 100% or below area median income
[18] https://www.ctgreenbank.com/wp-content/uploads/2018/01/CGB-Eval-IMPACT-091917-Bv2.pdf

Notices

Federal Register

Vol. 85, No. 64

Thursday, April 2, 2020

DEPARTMENT OF AGRICULTURE

Rural Utilities Service

Announcement of Funding Availability, Loan Application Procedures, and Deadlines for the Rural Energy Savings Program (RESP)

AGENCY: Rural Utilities Service, USDA.

ACTION: Notice of Solicitation of Applications (NOSA).

SUMMARY: The Rural Utilities Service (RUS), an Agency of the United States Department of Agriculture (USDA), is soliciting letters of intent for loan applications under the Rural Energy Savings Program (RESP), announcing the application process for those loans and deadlines for applications from eligible entities for funding in fiscal year (FY) 2020, until expended or further notice.

DATES: To be considered for this funding, applications under this NOSA will be accepted immediately. The RESP application process is described in detail pursuant to 7 CFR part 1719. In brief, the RESP is comprised of two steps:

Step 1: To be considered for financing, an Applicant seeking financing must submit a Letter of intent, in an electronic PDF (PDF) format not to exceed 10 Megabytes (10 MB) by electronic mail (email) to *RESP@USDA.GOV.* No paper letters of intent will be accepted. The Letters of intent will be queued as they are received. If it advances program and policy goals, RUS may consider loan applications from Eligible entities that have submitted Letters of intent under prior funding announcements but were not invited to proceed with a loan application.

Step 2: A RESP applicant that has been invited in writing by RUS to proceed with the loan application, will have up to ninety (90) days to complete and submit to RUS the documentation for a complete loan application. The ninety (90) day timeframe will begin on the date the RESP applicant receives RUS' Invitation to proceed. If the deadline to submit the completed loan application falls on Saturday, Sunday, or a Federal holiday, the application is due the next business day. The loan application package must be marked with the subject line ''Attention: Christopher McLean, Assistant Administrator for the Electric Program; RESP Loan Application.''

FOR FURTHER INFORMATION CONTACT: Robert Coates, Electric Program, Rural Utilities Service, Rural Development, United States Department of Agriculture, 1400 Independence Avenue SW, STOP 1568, Room 0257–S, Washington, DC 20250–1510; Telephone: (202) 260–5415; Email: *Robert.Coates@usda.gov.*

SUPPLEMENTARY INFORMATION: *Authority:* These loans are made available under the authority of Section 6407 of the Farm Security and Rural Investment Act of 2002, as amended, and the Rural Electrification Act of 1936, 7 U.S.C. 901 *et seq.*

General Information

The purpose of the RESP is to help rural families and small businesses achieve cost savings by providing loans to qualified consumers through eligible entities to implement durable cost-effective energy efficiency measures pursuant to 7 U.S.C. 8107a(a) of the RESP authorizing statute. The Secretary may use this funding to allow eligible entities to offer energy efficiency loans to customers in any part of their service territory in accordance to § 7 CFR part 1719. The Administrator may approve loans proposing to include these eligible activities for entities currently in the queue provided they still meet all of the application requirements. Additionally, subject to appropriations, funding for projects may be used to replace manufactured housing units with another manufactured housing unit if the replacement would be more cost effective in saving energy.

The Agency encourages applications that will support recommendations made in the Rural Prosperity Task Force report to help improve life in rural America, See, *www.usda.gov/ruralprosperity.* Applicants are encouraged to consider projects that provide measurable results in helping rural communities build robust and sustainable economies through strategic investments in infrastructure, partnerships and innovation. Key strategies include: Achieving e-Connectivity for rural America, developing the rural economy, harnessing technological innovation, supporting a rural workforce, and improving quality of life.

Application and Submission Information

Application Requirements: All requirements for submission of an application under the RESP are subject to 7 CFR part 1719.

Application Materials/Submission: The Letter of intent must be submitted by the Applicant in an electronic PDF (PDF) format not to exceed 10 Megabytes (10 MB) by electronic mail (email) to *RESP@USDA.GOV.* No paper letters of intent will be accepted. The completed loan application package must be submitted following the instructions that will be outlined in the RUS Invitation to proceed to the RESP Applicant. The loan application package must be marked with the subject line ''Attention: Christopher McLean, Assistant Administrator for the Electric Program; RESP Loan Application.

Paperwork Reduction Act

In accordance with the Paperwork Reduction Act of 1995 (44 U.S.C. chapter 35), OMB approved this information collection under OMB Control Number 0572–0151. This NOSA contains no new reporting or recordkeeping burdens under OMB control number 0572–0151 that would require approval under the Paperwork Reduction Act of 1995 (44 U.S.C. Chapter 35).

USDA Non-Discrimination Statement

In accordance with Federal civil rights law and USDA civil rights regulations and policies, the USDA, its agencies, offices, and employees, and institutions participating in or administering USDA programs are prohibited from discriminating based on race, color, national origin, religion, sex, gender identity (including gender expression), sexual orientation, disability, age, marital status, family/parental status, income derived from a public assistance program, political beliefs, or reprisal or retaliation for prior civil rights activity, in any program or activity conducted or funded by USDA (not all bases apply to all programs).

Remedies and complaint filing deadlines vary by program or incident. Persons with disabilities who require alternative means of communication for program information (*e.g.,* Braille, large print, audiotape, American Sign Language, etc.) should contact the Agency or USDA's TARGET Center at (202) 720–2600 (voice and TTY) or contact USDA through the Federal Relay Service at (800) 877–8339 (English) or (800) 845–6136 (Spanish).

Individuals who wish to file a Program Discrimination Complaint must complete the USDA Program Discrimination Complaint Form (PDF). To file a program discrimination complaint, you may obtain a complaint form by sending an email to *Cr-info@ascr.usda.gov* or calling (866) 632–9992 to request the form. A letter may also be written containing all of the information requested in the form. Send the completed complaint form or letter by mail to the U.S. Department of Agriculture, Director, Office of Adjudication, 1400 Independence Avenue SW, Washington, DC 20250–9410, or email at *program.intake@usda.gov.* Additional information can be found online at *https://www.ascr.usda.gov/filing-programdiscrimination-complaint-usdacustomer.*

USDA is an equal opportunity provider, employer, and lender.

Chad Rupe,

Administrator, Rural Utilities Service.

[FR Doc. 2020–06341 Filed 4–1–20; 8:45 am]

BILLING CODE P

COMMISSION ON CIVIL RIGHTS

Notice of Public Meeting of the North Carolina Advisory Committee

AGENCY: U.S. Commission on Civil Rights.

ACTION: Notice of meeting.

SUMMARY: Notice is hereby given, pursuant to the provisions of the rules and regulations of the U.S. Commission on Civil Rights (Commission) and the Federal Advisory Committee Act that the North Carolina Advisory Committee (Committee) will hold a meeting on Tuesday, April 14, 2020, from 12:00–1:00 p.m. EST for the purpose of discussing the committee's civil rights project.

DATES: The meeting will be held on Tuesday, April 14, 2020, from 12:00–1:00 p.m. EST.

Public Call Information: Dial: (888) 220–8474; Conference ID: 5152396.

FOR FURTHER INFORMATION CONTACT: Mallory Trachtenberg, DFO, at *mtrachtenberg@usccr.gov* or 312–353–8311.

SUPPLEMENTARY INFORMATION: Members of the public can listen to the discussion. This meeting is available to the public through the following toll-free call-in number. An open comment period will be provided to allow members of the public to make a statement as time allows. The conference operator will ask callers to identify themselves, the organizations they are affiliated with (if any), and an email address prior to placing callers into the conference call. Callers can expect to incur charges for calls they initiate over wireless lines, and the Commission will not refund any incurred charges. Callers will incur no charge for calls they initiate over land-line connections to the toll-free telephone number. Persons with hearing impairments may also follow the proceedings by first calling the Federal Relay Service at 1–800–977–8339 and providing the Service with the conference call number and conference ID number.

Members of the public are also entitled to submit written comments; the comments must be received in the regional office within 30 days following the meeting. Written comments may be mailed to the Advisory Committee Management Unit, U.S. Commission on Civil Rights, 230 S. Dearborn, Suite 2120, Chicago IL 60604. They may also be emailed to Carolyn Allen at *callen@usccr.gov.* Persons who desire additional information may contact the Regional Programs Unit Office at (312) 353–8311.

Records generated from this meeting may be inspected and reproduced at the Regional Programs Unit Office, as they become available, both before and after the meeting. Records of the meeting will be available via *www.facadatabase.gov* under the Commission on Civil Rights, Indiana Advisory Committee link. Persons interested in the work of this Committee are directed to the Commission's website, *http://www.usccr.gov,* or may contact the Regional Programs Unit Office at the above email or street address.

Agenda

I. Welcome and Roll Call
II. Announcements and Updates
III. Discussion:
  a. Discussion of Reappointments
  b. Discussion of Chair for the committee
  c. Civil Rights Project in Indiana
IV. Future Plans and Actions
V. Public Comment
VI. Adjournment

Dated: March 30, 2020.

David Mussatt,

Supervisory Chief, Regional Programs Unit.

[FR Doc. 2020–06918 Filed 4–1–20; 8:45 am]

BILLING CODE P

DEPARTMENT OF COMMERCE

International Trade Administration

[A–351–842]

Certain Uncoated Paper From Brazil: Preliminary Results of Administrative Review of the Antidumping Duty Order; 2018–2019

AGENCY: Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce.

SUMMARY: The Department of Commerce (Commerce) preliminarily finds that sales of certain uncoated paper (uncoated paper) from Brazil were made at less than normal value during the period of review (POR) March 1, 2018 through February 28, 2019. We invite interested parties to comment on these preliminary results.

DATES: Applicable April 1, 2020.

FOR FURTHER INFORMATION CONTACT: Jerry Huang or Justin Neuman, AD/CVD Operations, Office V, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 1401 Constitution Avenue NW, Washington, DC 20230; telephone: (202) 482–4047 or (202) 482–0486, respectively.

SUPPLEMENTARY INFORMATION:

Background

On May 29, 2019, Commerce initiated an administrative review of the antidumping duty order on uncoated paper from Brazil in accordance with section 751(a) of the Tariff Act of 1930, as amended (the Act).[1] This review covers two producers/exporters of the subject merchandise: Suzano Papel e Celulose S.A. (Suzano) and International Paper do Brasil Ltda. (IP)/International Paper Exportadora Ltda. (IPEX) (collectively, International Paper).[2] For details regarding the events

[1] *See Initiation of Antidumping and Countervailing Duty Administrative Reviews,* 84 FR 24743 (May 29, 2019).

[2] In the investigation, we determined that IP and IPEX constituted a single entity. Because no interested parties submitted comments on this issue, and in the absence of any new information regarding this finding, Commerce is continuing to find that IP and IPEX are affiliated, pursuant to sections 771(33)(E) and (F) of the Act, and are considered a single entity, pursuant to 19 CFR

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CONNECTICUT GREEN BANK

May 14, 2020

Mr. Christopher A. McLean
Assistant Administrator, Electric Program Rural Utilities Service
United States Department of Agriculture
1400 Independence Avenue, SW Stop 1560
Washington, DC 20250-1560

RE: Intent to Apply for a Rural Energy Savings Program Loan

Dear Administrator McLean,

This letter confirms that Connecticut Green Bank intends to seek a Rural Energy Savings Program loan from the United States Department of Agriculture Rural Utilities Service (RUS) pursuant to the Notice of Solicitation of Applications (NOSA) for Fiscal Year 2020 (FY2020) published in the Federal Register 85 FR 18549 on April 2, 2020. Connecticut Green Bank hereby represents that it meets all the requirements as specified in the NOSA and herewith submits the mandatory information required to comply with the first step of the loan application process.

Connecticut Green Bank intends to submit a complete application on or before the due date specified in the Invitation to Proceed for step-2 of the process and commits to diligently collaborate with the RUS General Field Representative to complete the application in a timely manner. Connecticut Green Bank acknowledges that RUS may not consider our loan application complete (Step-2) if we fail to provide the information requested by RUS in its screening process (Step-1).

Applicant's Profile and Point of Contact
Connecticut Green Bank is a quasi-state entity created by Connecticut General Statutes Section 16-245n, formed in 2011 through Public Act 11-80, with its principal place of business located in 845 Brook Street, Building #2, Rocky Hill, CT 06067. The DUN and Bradstreet (D&B) DUNS number for Connecticut Green Bank is 078382443 and our tax identification number is 45-2746525. Connecticut Green Bank will be a new RUS borrower.

Connecticut Green Bank serves all electric ratepayers in the state of Connecticut, with a population of approximately 3.6 million and approximately 1.8 million metered accounts.[1] Connecticut Green Bank has net assets in the amount of $76.3 million.[2] It is hereby affirmed that Connecticut Green Bank has never been in receivership or bankruptcy nor is it under a workout agreement over the last 10 years (in fact, never). Connecticut Green Bank holds operating reserves in the amount of $15.1 million (i.e., 8.4% of $180.6 million invested assets) as a provision or reserve for loan losses. A copy of Connecticut Green Bank's Balance Sheet is submitted with this letter of intent – see Appendix A. Connecticut Green Bank intends to be the legal borrower or (if permissible in accordance with RUS requirements) we may for the requirements of the financing structure request that the legal borrower will be a wholly owned and controlled subsidiary.

The point of contact during the application process will be Matt Macunas, Legislative Liaison and Associate

[1] The applicant will need to identify its service area by its service area map and identify whether it serves customers in all or part of the population within the town or city and/or county boundaries. Information needs to be provided as to the extent it serves all or part of the population within the town or city and/or county boundaries. The applicant will need to identify/state/list how many meters it serves its customers with, within its service area. If the service area of proposed borrower extends beyond the town or city and/or county boundary, the number of meters within each of the service boundaries needs to be stated/listed.

[2] FY19 Comprehensive Annual Financing Report

Director, who has been duly authorized to carry out the necessary actions to complete the RESP loan application. He can be contacted at 845 Brook Street, Rocky Hill, CT 06067, (860) 257-2889, or matt.macunas@ctgreenbank.com. Additional information about Connecticut Green Bank is available at www.ctgreenbank.com.

Project Description

Connecticut Green Bank seeks a RESP loan in the amount of $10 million to carry out a relending program to implement energy efficiency measures to qualified consumers within eligible communities – see Appendix B. Proceeds from the RESP loan will be used to replicate and scale-up existing programs in eligible communities to increase the impact and reach of the Connecticut Green Bank through one or more of the following programs:[3]

- **Program A: Commercial Property Assessed Clean Energy** (C-PACE) **Loan** – In 2012, Connecticut passed legislation that gave property owners access to a new form of financing for building energy upgrades through Commercial & Industrial Property Assessed Clean Energy (C-PACE). C-PACE allows Connecticut building owners to access cleaner, cheaper, and more reliable energy. The Connecticut Green Bank was empowered by legislation to make PACE loans to commercial building owners and administer the C-PACE program, which has been looked at as a model nationally. These loans are billed on a recurring basis under an agreement between the Green Bank and municipalities across the state. With RESP funding – Connecticut Green Bank will be able to lower its interest rates to customers to 5% *or less* for projects up to 10 years (the 10-year rate is currently 5.5%), helping to accelerate the adoption of green energy by making it more accessible and affordable.

- **Program B: Green Bank Solar PPA** (Solar PPA) – In 2013, the Green Bank launched our "Green Bank Solar PPA" (power purchase agreement) for multifamily, small business, educational and commercial properties. The affordability for income challenged customers in rural parts of our state could benefit greatly if the Green Bank could utilize RESP funds as part of the capital used to provide solar benefits to these customers. In many cases, these customers are unable to use the tax benefits and depreciation associated with solar ownership. In these cases, the PPA allows a 3rd party owner to assume the ownership burden of the solar PV system while providing the rural customer solar benefits (lower price for energy vs grid energy). The Green Bank collects PPA revenues via a recurring bill process – usually using the C-PACE collection process in Program A above OR alternatively using a direct recurring bill system which remits proceeds to the Green Bank. This program will greatly expand solar to this underserved market of our state.

- **Program C: Shared Clean Energy Facilities** (SCEF) **Loan** – Quite often, our rural families and small businesses are unable to qualify on credit terms for solar. On other occasions, they don't own their residence or place of business – or live in a shared dwelling unit making solar a poor fit for their circumstances. This is where Shared Clean Energy Facilities (SCEF – aka "community solar") come in. A clean energy contractor will develop a SCEF project and energy credits become available to customers that qualify under the RUS guideline. As with the Green Bank Solar PPA program, the Green Bank collects PPA revenues via a recurring bill process – in this case using a direct recurring bill system, remitting proceeds to the Green Bank. Again, this program will greatly expand solar to this underserved market of our state.

- **Program D: Smart-E Loan** – The Green Bank has made loans for energy efficiency and other clean energy (mostly solar PV) available through our network of local lenders who benefit from a loan loss reserve provided by the Green Bank. This loan loss reserve has enabled more than 5,000 families throughout Connecticut to lower their energy use and save hundreds of dollars annually. The RIS 0% funds will enable Green Bank to partner with a Federally designated Community Development Financial Institution (CDFI) to service and collect recurring bill payments from residential customers for the Green Bank. This RUS-inspired arrangement will permit the Green Bank to bring interest rates below 5% for our 10-year product (currently 5.99%) which would be a tremendous benefit for our rural families and underserved communities. We also see broadening this program to include a loan to finance Energy Storage which, is

[3] Green Bank staff members to be included in supporting the implementation of these relending programs include: Louise Della Pesca (Associate Director of Clean Energy Finance), Mackey Dykes (VP of Financing Programs), Isabelle Hazlewood (Manager of Market Development), Bert Hunter (EVP and CIO), and Selya Price (Director of Incentive Programs).

currently developing an incentive program for residential behind the meter battery storage systems. Given the large upfront costs of battery storage, Green Bank could use RESP funds to develop a complementary financing offering to assist rural customers in installing battery storage systems to improve power reliability.

- **Program E: On-Bill Repayment (OBR) Program Loan** – The Green Bank, as authorized by Connecticut General Statute Section 16a-40m, has the ability to launch a residential on-bill repayment (OBR) program in Connecticut funded by RESP capital. As a green bank, we would apply to RESP for approval under this Program E to finance deployment of all eligible measures under RESP for this OBR program, including EE, solar PV, ground source heat pumps and battery storage devices. The RESP program's 20-year, 0% capital will enable us to create a great OBR program for rural customers with a very low capital source, which then we can reloan at low-interest rates. This, in turn, entails affordable monthly repayments for participants.

The performance of Programs A, B & D in terms of investment, economic development, and energy and environmental protection have been substantial over the past five years (i.e., FY15-FY19) – see Appendix C.

Evaluation, Measurement and Verification (EM&V)
The Green Bank has established an Evaluation Framework[4] to guide the assessment, monitoring and reporting of the program impacts and processes, including, but not limited to energy savings (e.g., pre versus post retrofit energy burden reduction) and clean energy production (e.g., pre versus post retrofit measurement) and the resulting societal impacts or benefits arising from clean energy investment. As part of its annual financial audit, the Green Bank also undergoes a separate independent external review of the metrics and underlying data collection and calculation methods outlined in the non-financial statistics section of its Comprehensive Annual Financial Report[5] to verify program performance. On a program basis, the Green Bank evaluates loans for energy efficiency and clean energy/solar PV as follows:

Program	Evaluation Process
▪ Program A: C-PACE	▪ Technical Review Report (3rd party engineer) incl review of utility bills[6]
▪ Program B: Green Bank Solar PPA	▪ Technical Review Report (usually with 3rd party engineer) incl review of utility bills[6]
▪ Program C: SCEF Program	▪ Solar Feasibility Study (3rd party engineer)
▪ Program D: Smart-E Loan	▪ Approval of installed measures using the utilities approved list of measures and technical standards[7]

And Lastly, Connecticut Green Bank commits to immediately notify RUS in writing should we decide to withdraw from consideration for the RESP loan before submitting the complete application.

Sincerely,

Bryan Garcia
President and CEO
Connecticut Green Bank
845 Brook Street
Rocky Hill, CT 06067

Enclosures

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[4] https://ctgreenbank.com/wp-content/uploads/2017/02/CTGreenBank-Evaluation-Framework-July-2016.pdf
[5] https://ctgreenbank.com/wp-content/uploads/2019/11/2019-Green-Bank-CAFR-FINAL-10-31-19.pdf -- See in particular pages 86, 109-110, 117
[6] https://www.cpace.com/Portals/0/Program%20Guidelines/APPENDIX%20D%20-Technical%20Standards_10_29_18.pdf
[7] https://www.energizect.com/sites/default/files/uploads/Smart-E%20Eligible%20Measures%20V020119.pdf

APPENDIX A

Balance Sheet[8][9] of the Connecticut Green Bank (FY17-FY19) – In Thousands

	FY17	FY18	FY19
Current Assets	$53,623	$30,021	$34,135
Non-Current Assets	$137,631	$155,960	$176,893
TOTAL ASSETS	**$191,254**	**$185,981**	**$211,028**
Deferred Outflow of Resources	$11,834	$27,705	$12,317
Current Liabilities	$14,025	$14,119	$17,716
Non-Current Liabilities	$82,347	$107,561	$127,370
TOTAL LIABILITIES	**$96,372**	**$121,680**	**$145,086**
Deferred Inflow of Resources	-	$672	$1,977
TOTAL NET POSITION	**$106,716**	**$91,335**	**$76,282**

APPENDIX B

Towns Eligible in Connecticut for Investment through RESP Funding[10]

Town	Population	Town	Population	Town	Population
Andover	3223	Guilford	22285	Salem	4126
Ansonia	18860	Haddam	8267	Salisbury	3631
Ashford	4234	Hampton	1861	Scotland	1653
Avon	18338	Hartland	2041	Seymour	16522
Barkhamsted	3671	Harwinton	5469	Sharon	2721
Beacon Falls	6115	Hebron	9522	Shelton	41155
Berlin	20519	Kent	2824	Sherman	3641
Bethany	5504	Killingly	17170	Simsbury	24519
Bethel	19551	Killingworth	6414	Somers	11137
Bethlehem	3452	Lebanon	7256	South Windsor	25823
Bloomfield	20952	Ledyard	14850	Southbury	19754
Bolton	4928	Lisbon	4272	Southington	43763
Bozrah	2567	Litchfield	8198	Sprague	2929
Branford	28094	Lyme	2469	Stafford	11890
Bridgewater	1706	Madison	18183	Sterling	3762
Brookfield	17013	Mansfield	25977	Stonington	18436
Brooklyn	8243	Marlborough	6394	Suffield	15662
Burlington	9607	Middlebury	7661	Thomaston	7623
Canaan	1196	Middlefield	4385	Thompson	9343
Canterbury	5074	Middletown	46473	Tolland	14766
Canton	10306	Monroe	19621	Torrington	34737
Chaplin	2329	Montville	19094	Trumbull	36174
Cheshire	29208	Morris	2288	Union	873
Chester	4268	Naugatuck	31481	Vernon	29157
Clinton	12976	New Canaan	20273	Voluntown	2559
Colchester	15927	New Fairfield	13992	Wallingford	44771
Colebrook	1518	New Hartford	6755	Warren	1432
Columbia	5421	New London	27032	Washington	3472
Cornwall	1302	New Milford	27196	Waterford	19052
Coventry	12422	Newington	30323	Watertown	21832
Cromwell	13973	Newtown	27853	Westbrook	6904
Darien	21759	Norfolk	1503	Weston	10288

8 FY18 CAFR - https://www.ctgreenbank.com/wp-content/uploads/2018/10/Green-Bank-CAFR_2018.pdf (p.15-16)
9 FY19 CAFR - https://www.ctgreenbank.com/wp-content/uploads/2018/10/Green-Bank-CAFR_2018.pdf (p. 24-25)
10 This represents 150 of 169 cities and towns in Connecticut with a total and 2.06 million of 3.58 million population

Deep River	4493	North Branford	14208	Westport	27840
Derby	12596	North Canaan	3302	Wethersfield	26267
Durham	7248	North Haven	23786	Willington	5912
East Granby	5256	North Stonington	5242	Wilton	18542
East Haddam	9032	Norwich	39567	Winchester	10798
East Hampton	12856	Old Lyme	7431	Windham	24688
East Haven	28860	Old Saybrook	10118	Windsor	28917
East Lyme	18766	Orange	13937	Windsor Locks	12613
East Windsor	11379	Oxford	13022	Wolcott	16652
Eastford	1721	Plainfield	15114	Woodbridge	8868
Easton	7558	Plainville	17720	Woodbury	9617
Ellington	16041	Plymouth	11782	Woodstock	7813
Enfield	44455	Pomfret	4173		
Essex	6599	Portland	9362		
Farmington	25546	Preston	4666		
Franklin	1842	Prospect	9736		
Glastonbury	34578	Putnam	9360		
Goshen	2903	Redding	9209		
Granby	11305	Ridgefield	25070		
Griswold	11693	Rocky Hill	20137		
Groton	39105	Roxbury	2103		

APPENDIX C

Performance Measures and Indicators (FY 2015 – FY 2019)[11]

Performance	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
INVESTMENT MEASURES AND INDICATORS					
Private Investment ($MM's)	$267.1	$282.9	$172.6	$218.1	$312.8
Public Investment ($MM's)	$57.1	$39.3	$33.6	$34.8	$40.7
Total Investment ($MM's)	$324.1	$322.1	$206.2	$252.9	$353.5
Leverage Ratio	5.7	8.2	6.1	7.3	8.7
Tax Revenues ($MM's)[12]	$17.6	$15.6	$9.4	$10.9	$17.9
ECONOMIC DEVELOPMENT MEASURES AND INDICATORS					
Job-Years Created[13]	4,404	4,855	1,994	2,169	3,355
Families Reached[14]	7,435	7,876	5,693	7,677	9,361
Businesses Reached[15]	20	81	70	96	4,397[16]
Accessible-Affordable ($MM's)[17]	$71.9	$124.3	$98.9	$116.7	$147.5
ENERGY AND ENVIRONMENTAL PROTECTION MEASURES AND INDICATORS					
Clean Energy Deployed (MW)	62.4	66.1	50.0	57.5	73.3
Clean Energy Produced (LT MWh)	1,882,128	2,109,318	1,656,199	1,845,529	2,268,236
Energy saved (LT MMBtu)	6,168,294	8,150,643	9,776,863	7,219,075	7,174,436
GHG Emissions Avoided (LT T)[18]	1,047,450	1,129,276	847,708	993,233	1,183,050
Equiv. LT Gallons of Gas (MM)	106.9	115.3	86.5	101.4	120.8
SOx Emissions Avoided (LT lbs)	1,153,343	955,609	505,071	553,868	662,949
NOx Emissions Avoided (LT lbs)	1,197,328	1,197,328	752,256	846,468	1,013,419
$PM_{2.5}$ Emissions Avoided (LT lbs)	86,374	98,419	71,772	84,596	101,137

11 FY 2019 Comprehensive Annual Financial Report of the Connecticut Green Bank – including Statement of Non-Financial Statistics Auditor by Kestrel Verifiers (95).

12 https://www.ctgreenbank.com/wp-content/uploads/2018/09/CGB-Eval-Tax-Methodology-7-24-18.pdf

13 https://www.ctgreenbank.com/wp-content/uploads/2018/03/CGB_DECD_Jobs-Study_Fact-Sheet.pdf

14 Through CT Solar Lease, RSIP, Smart-E Loan, Solar for All, MFAH, and CT Solar Loan programs

15 Through C-PACE, Solar PPA, CHP, AD, and SBEA programs

16 Partnership with Eversource and Avangrid in support of Small Business Energy Advantage Program (4,339 projects)

17 Total investment in less than 100% or below area median income

18 https://www.ctgreenbank.com/wp-content/uploads/2018/01/CGB-Eval-IMPACT-091917-Bv2.pdf

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CONNECTICUT GREEN BANK

Memo

To: Connecticut Green Bank Board of Directors

From: Bert Hunter, EVP and CIO and Mike Yu, Director, Clean Energy Finance

CC: Bryan Garcia, President and CEO; Brian Farnen, General Counsel and CLO; Dale Hedman, Consultant (Retiree); Eric Shrago, Director of Operations, Jane Murphy, Vice President of Finance and Administration; Selya Price, Director, Infrastructure Programs

Date: July 24, 2020

Re: SHREC Warehouse Update

In a memo to the Connecticut Green Bank (the "Green Bank") Board of Directors (the "Board") dated July 11th 2019 (the "July 2019 Memorandum" see enclosed file: "6d1_SHREC Warehouse and Securitization_Memo_071119.PDF"), staff recommended utilizing a short-term revolving credit warehouse facility (the "Warehouse") for the Tranche 3-2019 ("Tranche 3") of Solar Home Renewable Energy Credits ("SHRECs") in order to bridge to a low-cost, long-term monetization of the SHRECs through to a municipal bond issuance. The Warehouse, a joint facility with two Connecticut banks (Webster and Liberty, collectively "Warehouse Lenders") was approved by the Board at its July 18th, 2019 meeting, and entered into by the Green Bank on July 31st, 2019.

Attached to the July 2019 Memorandum to the Board was a summary of key terms for the Warehouse, including annual renewal rights at the full discretion of the Warehouse Lenders. As this option to renew the Warehouse was not explicitly recognized in either the July 2019 Memorandum or the resolutions approved by the Board, staff is bringing forward for approval a renewal of the Warehouse on substantially similar terms except as explained below.

As noted, the summary of terms and the final executed documentation for the Warehouse permit the Borrower (a Green Bank SPV: SHREC Warehouse 1, LLC) to request renewal of the Warehouse annually prior to its maturity. As there is an ongoing need for the Warehouse to be utilized for working capital purposes as explained in the July 2019 Memorandum, Borrower has requested and Warehouse Lenders are prepared to renew and extend the Warehouse with the following conditions and modifications (see attached file "6d2_SHREC Warehouse_Summary_Terms.PDF):

1. Green Bank will (as it did for the existing Warehouse arrangement) sell and contribute the necessary SHREC Tranche 4 collateral to SHREC Warehouse 1, LLC *prior to* the Green Liberty Bond closing scheduled for July 29, 2020. This will enable the Warehouse Lenders to be covered by sufficient collateral (as they are at present with SHREC Tranche 3 collateral) and release the SHREC Tranche 3 collateral which is the collateral Green Bank needs to grant to the Trustee for the Green Liberty Bonds under the Indenture. The Warehouse Lenders are comfortable releasing the Tranche 3 collateral for the Tranche 4 collateral as Tranche 4 consists of 6,957 systems totaling 54.9 MW capacity, which is 40% larger in capacity than Tranche 3. The Green Bank will soon execute with

Eversource and UI the tranche confirmations that will lock in a price of $47 per SHREC, yielding an expected 15-year revenue stream of $40.8M

2. As is the case under the existing Warehouse, the Green Bank will continue to provide guaranty of repayment of the advances by the Warehouse Lenders as well as assign the rights to future tranches.
3. While the spread over LIBOR remains 2.40%, due to the unprecedented decline in LIBOR, and as we experienced with Amalgamated Bank on the $5 million secured revolving line of credit, the Warehouse Lenders are requiring a pricing adjustment, in this case, a floor for LIBOR of 0.50%. This results in an effective increase of 0.30% (as LIBOR has been approximately 0.20%).
4. The facility size is being shifted down from $14,000,000 to $10,000,000 to reduce unused fees and to limit the amount of capital that the Warehouse Lenders need to set aside for the Warehouse, but at Borrower's request and approval by the Warehouse Lenders can be upsized back to $14,000,000 (and potentially up to $20,000,000).
5. As before, there is a $75,000 facility fee and an unused fee of 0.50% per annum on any portion of the Warehouse that is fully committed (i.e., initially $10 million) but not utilized. At present, $6 million is outstanding under the Warehouse and usage is expected to fluctuate between $4 million and $10 million.
6. Other key economic terms (interest-only payments (i.e., no required repayment of principal except at facility maturity) remain the same as before.

Staff recommends utilizing continued use of this short-term warehouse facility that (a) provides a bridge to the next bond issuance and (b) enhances liquidity and allows the Green Bank to meet its significant obligations in a flexible manner (e.g., can draw and repay as needed).

Staff requests approval by the Board of Directors to move forward with amending the warehouse funding facility and approve resolutions in respect of approval by the Green Bank as well as separate resolutions in respect of approval by SHREC WAREHOUSE 1 LLC, the wholly-owned subsidiary of Green Bank, as borrower under the SHREC Revolving Credit Facility.

Resolution

All of the members of the Board of Directors (the "**Board**") of the Connecticut Green Bank, a quasi-governmental agency of the State of Connecticut (the "**Green Bank**"), which is the sole member of SHREC Warehouse 1 LLC, Connecticut limited liability company (the "**Company**"), hereby consent to and adopt the following resolutions for and on behalf of the Green Bank and, in the Green Bank's capacity as the sole member of the Company, for and on behalf of the Company:

WHEREAS, on July 31, 2019, the Company entered into a Credit Agreement (the "**Credit Agreement**") with Webster Bank, National Association ("**Webster**"), as Administrative Agent (in such capacity, as "**Agent**") and as a lender and Liberty Bank, as Lead Arranger and as a lender (Webster and Liberty Bank, in their capacities as lenders, are referenced to herein collectively as, "**Webster-Liberty**"), whereby Webster-Liberty made available to the Company a Fourteen Million and 00/100 Dollar ($14,000,000.00) secured revolving line of credit ("**Loan**") for the purpose of financing the Tranche 3-2019 (as defined in the Credit Agreement) Solar Home Renewable Energy Credit program ("**Tranche 3-2019 SHRECs**"); and

WHEREAS, to induce Webster-Liberty to make the Loan to the Company under the Credit Agreement, Green Bank guaranteed the Loan pursuant to the Guaranty Agreement dated as of July 31, 2019 made by Green Bank in favor of Agent (the "**Guaranty**"); and

WHEREAS, the Company and the Green Bank have requested that Webster-Liberty and Agent modify the Loan and the terms of the Credit Agreement pursuant to that certain First Amendment to Credit Agreement and Other Loan Documents (the "**Amendment to Credit Agreement**"), in order to, among other things, (1) remove the Tranche 3-2019 SHRECs as collateral for the Loan, (2) secure the Loan with the Tranche 4-2020 SHRECs as collateral, (3) extend the term of the Loan for a period of one (1) year and (4) reduce the amount of the Loan from Fourteen Million and 00/100 Dollars ($14,000,000.00) to Ten Million and 00/100 Dollars ($10,000,000.00) (with an option to (expand the facility with the approval by the Webster-Liberty and Agent of up to Fourteen Million and 00/100 Dollars ($14,000,000.00)); and

WHEREAS, a true, correct and complete copy of the Amendment to Credit Agreement is attached hereto as <u>Exhibit A</u>; and

WHEREAS, in connection with the modification to the Loan, the Company and Green Bank, as applicable, shall also enter into those certain documents listed on <u>Exhibit B</u> attached hereto; and

WHEREAS, Green Bank will continue to guarantee the Company's obligations under the Loan under the Credit Agreement as amended by the Amendment to Credit Agreement, pursuant to the Guaranty;

WHEREAS, along with a general repayment obligation by the Company, Agent and/or Webster-Liberty are secured by, and the Company and the Green Bank are authorized to secure the Loan and the Guaranty by, among other things, granting to Agent and/or Webster-Liberty (i) a first priority security interest in all assets of the Company, (ii) a collateral assignment of and security interest in all of the Company's and the Green Bank's right, title and interest in the Tranche 4-2020 SHRECs (as defined in the Amendment to Credit Agreement) Solar Home Renewable Energy Credit program ("**Tranche 4-2020 SHRECs**") and all rights and obligations relating thereunder under those certain Master Purchase Agreements for the Purchase and Sale of Solar Home Renewable Energy Credits by and between the Green Bank and each of The Connecticut Light & Power Company d/b/a Eversource Energy and The United Illuminating Company each dated February 7, 2017, each as amended by those certain First Amendments, dated July 30, 2018 and by those certain Second Amendments dated April 1, 2020 (as amended, and collectively, the "**MPA's**"), which collateral assignment and security interest shall include any and all rights to payment of money under the MPA's with respect to

Tranche 4-2020 and those other attributes and rights associated with the Tranche 4-2020 SHRECs, (iii) a collateral assignment of all of the right, title and interest in that certain Sale and Contribution Agreement (Tranche 4) by and between Green Bank and the Company, dated as of the closing date of the modification of the Loan including without limitation, any security interest created by the Sale and Contribution Agreement, and (iv) a security interest in the MPA Collection Account, the Webster Interest Reserve Account and the Liberty Interest Reserve Account (the security interests listed in (i)-(iv) hereof, together, the "**SHREC Collateral**"); and

WHEREAS, Green Bank staff recommends that the Board approve the proposed renewal and extension of the Loan, generally in accordance with the terms of the summary term sheet presented to the Board on July 24, 2020.

NOW, therefore be it:

RESOLVED, that the Green Bank hereby authorizes, ratifies and approves the Loan, as modified, from Liberty-Webster to the Company pursuant to (i) the memorandum to the Board dated July 24, 2020, inclusive of the summary of terms referred to therein and (ii) the terms of the Amendment to Credit Agreement and the other Loan Documents (as defined in the Amendment to Credit Agreement, including all of the documents listed on Exhibit B hereto); and be it further

RESOLVED, that each of the Company and the Green Bank be and it hereby is, and at the time it entered into the Loan and/or the Guaranty was, authorized to secure the Loan and the Guaranty by, among other things, granting to Agent and/or Webster-Liberty a first priority security interest in and to its property, including, without limitation the SHREC Collateral; and be it further

RESOLVED, that the Board hereby authorizes, directs, ratifies and approves the Company's entering into the Amendment to Credit Agreement and all documents listed on Exhibit B to which it is a party and of each other contract or instrument to be executed and delivered by the Company in connection with the transactions contemplated by these resolutions (collectively, the "**Modification Documents**"); and be it further

RESOLVED, that the Board hereby authorizes, directs, ratifies and approves the Green Bank's entering into the Amendment to Credit Agreement and all documents listed on Exhibit B to which it is a party and of each other contract or instrument to be executed and delivered by the Green Bank in connection with the transactions contemplated by these resolutions (collectively, the "**Guaranty Documents**"); and be it further

RESOLVED, that the Board hereby authorizes, directs, ratifies and approves (i) the Green Bank's execution, delivery and performance of the Guaranty Documents (including the Amendment to Credit Agreement) and all of the Green Bank's obligations under the Guaranty Documents and (ii) the Company's execution, delivery and performance of the Modification Documents (including the Amendment to Credit Agreement) and all of the Company's obligations under the Modification Documents (including the Amendment to Credit Agreement); and be it further

RESOLVED, that the actions of Bryan Garcia in his capacity as the President and Chief Executive Officer of Green Bank ("**Garcia**"), Roberto Hunter in his capacity as the Chief Investment Officer of Green Bank ("**Hunter**") and Brian Farnen in his capacity as General Counsel and Chief Legal Officer of Green Bank ("**Farnen**"; and together with Garcia and Hunter, each an "**Authorized Signatory**"), are hereby authorized, empowered, ratified and approved with regard to the negotiation, finalization, execution and delivery, on behalf of Green Bank and the Company, of the Guaranty Documents, the Amendment to Credit Agreement and the Modification Documents and any other agreements that they deemed necessary and appropriate to carry out the foregoing objectives of Green Bank and/or the Company, and any other agreements, contracts, legal instruments or documents as they deemed necessary or appropriate and in the interests of Green Bank and/or the Company in order to carry out the intent and accomplish the purpose of the foregoing resolutions are hereby authorized, ratified and approved; and be it further

RESOLVED, that each Authorized Signatory be, hereby is, acting singly, and at the time of the execution of the Guaranty Documents, the Amendment to Credit Agreement and the Modification Documents is, authorized, empowered and directed, for and on behalf of the Green Bank and the Company (in the Green Bank's capacity as the sole member of the Company), to execute and deliver the Guaranty Documents, the Amendment to Credit Agreement, the Modification Documents and any agreements, instruments and/or certificates related to the modification of the Loan as such Authorized Signatory shall deem necessary or appropriate and in the interests of Green Bank and/or the Company in order to carry out the intent and accomplish the purpose of the foregoing resolutions; and be it further

RESOLVED, that any other actions taken by any Authorized Signatory are hereby approved and ratified to the extent that such Authorized Signatory or Authorized Signatories have deemed such actions necessary, appropriate and desirable to effect the foregoing resolutions.

EXHIBIT A

AMENDMENT TO CREDIT AGREEMENT

TO BE ATTACHED

EXHIBIT B

AMENDMENT DOCUMENTS

1. Amended and Restated Promissory Note in the original principal amount of $5,000,000 made by Company in favor of Liberty Bank.
2. Amended and Restated Promissory Note in the original principal amount of $5,000,000 made by Company in favor of Webster.
3. Perfection Certificate made by Company in favor of Webster-Liberty.
4. Amended and Restated Security Agreement made by the Company in favor of Agent.
5. Amended and Restated Collateral Assignment of Master Purchase Agreements and Other Loan Documents made by the Company and Green Bank to Agent.

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CONNECTICUT GREEN BANK

Memo

To: Connecticut Green Bank Board of Directors

From: Bert Hunter, EVP and CIO and Mike Yu, Director, Clean Energy Finance

CC: Bryan Garcia, President and CEO; Brian Farnen, General Counsel and CLO; Dale Hedman, Consultant (Retiree); Eric Shrago, Director of Operations, Jane Murphy, Vice President of Finance and Administration; Selya Price, Director, Infrastructure Programs

Date: July 24, 2020

Re: SHREC Warehouse Update

In a memo to the Connecticut Green Bank (the "Green Bank") Board of Directors (the "Board") dated July 11th 2019 (the "July 2019 Memorandum" see enclosed file: "6d1_SHREC Warehouse and Securitization_Memo_071119.PDF"), staff recommended utilizing a short-term revolving credit warehouse facility (the "Warehouse") for the ~~2019~~ Tranche 3-2019 ("Tranche 3") of Solar Home Renewable Energy Credits ("SHRECs") in order to bridge to a low-cost, long-term monetization of the SHRECs through to a municipal bond issuance. The Warehouse, a joint facility with two Connecticut banks (Webster and Liberty, collectively "Warehouse Lenders") was approved by the Board at its July 18th, 2019 meeting, and entered into by the Green Bank on July 31st, 2019.

Attached to the July 2019 Memorandum to the Board was a summary of key terms for the Warehouse, including annual renewal rights at the full discretion of the Warehouse Lenders. As this option to renew the Warehouse was not explicitly recognized in either the July 2019 Memorandum or the resolutions approved by the Board, staff is bringing forward for approval a renewal of the Warehouse on substantially similar terms except as explained below.

As noted, the summary of terms and the final executed documentation for the Warehouse permit the Borrower (a Green Bank SPV: SHREC Warehouse 1, LLC) to request renewal of the Warehouse annually prior to its maturity. As there is an ongoing need for the Warehouse to be utilized for working capital purposes as explained in the July 2019 Memorandum, Borrower has requested and Warehouse Lenders are prepared to renew and extend the Warehouse with the following conditions and modifications (see attached file "6d2_SHREC Warehouse_Summary_Terms.PDF):

1. Green Bank will (as it did for the existing Warehouse arrangement) sell and contribute the necessary SHREC Tranche 4 collateral to SHREC Warehouse 1, LLC *prior to* the Green Liberty Bond closing scheduled for July 29, 2020. This will enable the Warehouse Lenders to be covered by sufficient collateral (as they are at present with SHREC Tranche 3 collateral) and release the SHREC Tranche 3 collateral which is the collateral Green Bank needs to grant to the Trustee for the Green Liberty Bonds under the Indenture. The Warehouse Lenders are comfortable releasing the Tranche 3 collateral for the Tranche 4 collateral as Tranche 4 consists of 6,957 systems totaling 54.9 MW capacity, which is 40% larger in capacity than Tranche 3. The Green Bank will soon

execute with Eversource and UI the tranche confirmations that will lock in a price of $47 per SHREC, yielding an expected 15-year revenue stream of $40.8M

2. As is the case under the existing Warehouse, the Green Bank will continue to provide guaranty of repayment of the advances by the Warehouse Lenders as well as assign the rights to future tranches.
3. While the spread over LIBOR remains 2.40%, due to the unprecedented decline in LIBOR, and as we experienced with Amalgamated Bank on the $5 million secured revolving line of credit, the Warehouse Lenders are requiring a pricing adjustment, in this case, a floor for LIBOR of 0.50%. This results in an effective increase of 0.30% (as LIBOR has been approximately 0.20%).
4. The facility size is being shifted down from $14,000,000 to $10,000,000 to reduce unused fees and to limit the amount of capital that the Warehouse Lenders need to set aside for the Warehouse, but at Borrower's request and approval by the Warehouse Lenders can be upsized back to $14,000,000 (and potentially up to $20,000,000).
5. As before, there is a $75,000 facility fee and an unused fee of 0.50% per annum on any portion of the Warehouse that is fully committed (i.e., initially $10 million) but not utilized. At present, $6 million is outstanding under the Warehouse and usage is expected to fluctuate between $4 million and $10 million.
6. Other key economic terms (interest-only payments (i.e., no required repayment of principal except at facility maturity) remain the same as before.

Staff recommends utilizing continued use of this short-term warehouse facility that (a) provides a bridge to the next bond issuance and (b) enhances liquidity and allows the Green Bank to meet its significant obligations in a flexible manner (e.g., can draw and repay as needed).

Staff requests approval by the Board of Directors to move forward with amending the warehouse funding facility and approve resolutions in respect of approval by the Green Bank as well as separate resolutions in respect of approval by SHREC WAREHOUSE 1 LLC, the wholly-owned subsidiary of Green Bank, as borrower under the SHREC Revolving Credit Facility.

Resolutions

~~**WHEREAS**, Connecticut Green Bank ("Green Bank") staff recommends to the Green Bank Board of Directors ("Board") a proposal for Green Bank to renew and extend an agreement with Webster Bank and Liberty Bank (the "Lenders") for a secured revolving line of credit ("SHREC Revolving Credit Facility") whereby the existing $14,000,000 SHREC Revolving Credit Facility would be renewed for a lower maximum committed amount of $10,000,000 (with an option to expand the facility at the request of the Green Bank and with approval by the Lenders up to $14,000,000 – and the Lenders may consider an even higher amount in the sole discretion) used for a period of approximately one year in order to bridge Green Bank's short-term liquidity and working capital needs prior to funding anticipated from a permanent asset backed securitization ("ABS") or municipal bond financing of Tranche 4 of the Solar Home Renewable Energy Credit ("SHREC") program;~~

~~**WHEREAS**, along with a general repayment obligation by SHREC WAREHOUSE 1 LLC, a wholly-owned subsidiary of Green Bank ("CGB SPV Borrower"), Webster-Liberty would continue to be secured by a Green Bank guaranty of CGB SPV Borrower's obligations under the SHREC Revolving Credit Facility in addition to a first priority security interest in, and an absolute assignment of all cash flows associated with Tranche 4 of the SHREC program and, in the event of a payment default under the SHREC Revolving Credit Facility, such additional Tranches of SHRECs as required by the Lenders together with all commercially necessary rights thereunder (the "SHREC Collateral"); and~~

~~**WHEREAS**, Green Bank staff recommends that the Board approve the proposed renewal and extension of the SHREC Revolving Credit Facility, generally in accordance with the terms of the summary term sheet presented to the Board on July 24, 2020.~~

~~**NOW**, therefore be it:~~

~~**RESOLVED**, that the Board approves Green Bank to renew and extend the existing SHREC Revolving Credit Facility with the Lenders substantially as set forth in the memorandum to the Board dated July 24, 2020 (the "Memorandum") inclusive of the summary of terms referred to therein (the "Summary of Terms"), inclusive of the option to expand the SHREC Revolving Credit Facility to up to $20,000,000 or to renew the SHREC Revolving Credit Facility on an annual basis on terms consistent with the Memorandum and the Summary of Terms;~~

~~**RESOLVED,** that the Board approves, ratifies and confirms the role of SHREC WAREHOUSE 1 LLC, a wholly-owned subsidiary of Green Bank ("CGB SPV"), as borrower under the SHREC Revolving Credit Facility and to provide the Lenders with a guaranty of CGB SPV obligations as borrower under the SHREC Revolving Credit Facility in addition to the SHREC Collateral;~~

~~**RESOLVED**, that the President, and any other duly authorized officer of Green Bank, is authorized to execute and deliver on behalf of Green Bank and CGB SPV any of the definitive agreements related to the SHREC Revolving Credit Facility 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; and~~

~~**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.~~

~~**Resolutions**~~

~~**(SHREC WAREHOUSE 1 LLC)**~~

All of the members of the Board of Directors (the "**Board**") of the Connecticut Green Bank, a quasi-governmental agency of the State of Connecticut (the "**Green Bank**"), which is the sole member of SHREC Warehouse 1 LLC, Connecticut limited liability company (the "**Company**"), hereby consent to and adopt the following resolutions for and on behalf of the Green Bank and, in the Green Bank's capacity as the sole member of the Company, for and on behalf of the Company:

WHEREAS, on July 31, 2019, ~~based on prior approvals obtained from the Board,~~ the Company entered into a Credit Agreement (the "**Credit Agreement**") with Webster Bank, National Association ("**Webster**"), as Administrative Agent (in such capacity, as "**Agent**") and as a lender and Liberty Bank, as Lead Arranger and as a lender (Webster and Liberty Bank, in their capacities as lenders, are referenced to herein collectively as, "**Webster-Liberty**"), whereby Webster-Liberty ~~have~~ made available to the Company a Fourteen Million and 00/100 Dollar ($14,000,000.00) secured revolving line of credit ("**Loan**") for the purpose of financing the Tranche 3-2019 (as defined in the Credit Agreement) Solar Home Renewable Energy Credit program ("**Tranche 3-2019 SHRECs**"); and

WHEREAS, ~~on or about July 24, 2020, the Company will amend the Credit Agreement (the "**Amended Credit Agreement**") with Webster Bank, National Association ("**Webster**"), as Administrative Agent (in such capacity, as "**Agent**") and as a lender and Liberty Bank, as Lead Arranger and as a lender (Webster and Liberty Bank, in their capacities as lenders, are referenced to herein collectively as, "**Webster-Liberty**"), whereby Webster-Liberty will make available to the Company a Ten Million and 00/100 Dollar ($10,000,000.00) secured revolving line of credit ("**Loan**"), and which may be expanded to a larger amount, but not in excess of Twenty Million and 00/100 Dollars ($20,000,000.00) for the purpose of financing the Tranche 4-2020 (as defined in the Amended Credit Agreement) Solar Home Renewable Energy Credit program ("**Tranche 4-2020 SHRECs**"); and~~<u>to induce Webster-Liberty to make the Loan to the Company under the Credit Agreement, Green Bank guaranteed the Loan pursuant to the Guaranty Agreement dated as of July 31, 2019 made by Green Bank in favor of Agent (the "**Guaranty**"); and</u>

<u>**WHEREAS,** the Company and the Green Bank have requested that Webster-Liberty and Agent modify the Loan and the terms of the Credit Agreement pursuant to that certain First Amendment to Credit Agreement and Other Loan Documents (the "**Amendment to Credit Agreement**"), in order to, among other things, (1) remove the Tranche 3-2019 SHRECs as collateral for the Loan, (2) secure the Loan with the Tranche 4-2020 SHRECs as collateral, (3) extend the term of the Loan for a period of one (1) year and (4) reduce the amount of the Loan from Fourteen Million and 00/100 Dollars ($14,000,000.00) to Ten Million and 00/100 Dollars ($10,000,000.00) (with an option to (expand the facility with the approval by the Webster-Liberty and Agent of up to Fourteen Million and 00/100 Dollars ($14,000,000.00)); and</u>

WHEREAS, a true, correct and complete copy of the ~~Amended~~<u>Amendment to</u> Credit Agreement is attached hereto as <u>Exhibit A</u>; and

WHEREAS, ~~to induce Webster-Liberty to make the Loan to the Company under the Credit Agreement and the Amended Credit Agreement, Green Bank guaranteed the Loan under the Credit Agreement pursuant to the Guaranty (as defined herein) and~~<u>in connection with the modification to the</u>

Loan, the Company and Green Bank, as applicable, shall also enter into those certain documents listed on Exhibit B attached hereto; and

WHEREAS, Green Bank will continue to guarantee the Company's obligations under the Loan under the ~~Amended~~ Credit Agreement as amended by the Amendment to Credit Agreement, pursuant to the Guaranty;~~ and~~

WHEREAS, along with a general repayment obligation by the Company, Agent and/or Webster-Liberty are secured by, and the Company and the Green Bank are authorized to secure the Loan and the Guaranty by, among other things, granting to Agent and/or Webster-Liberty (i) a first priority security interest in all assets of the Company, (ii) a collateral assignment of and security interest in all of the Company's and the Green Bank's right, title and interest in the Tranche 4-2020 SHRECs (as defined in the Amendment to Credit Agreement) Solar Home Renewable Energy Credit program ("**Tranche 4-2020 SHRECs**") and all rights and obligations relating thereunder under those certain Master Purchase Agreements for the Purchase and Sale of Solar Home Renewable Energy Credits by and between the Green Bank and each of The Connecticut Light & Power Company d/b/a Eversource Energy and The United Illuminating Company each dated February 7, 2017, each as amended by those certain First Amendments, dated July 30, 2018 and by those certain Second Amendments dated April 1, 2020 (as amended, and collectively, the "**MPA's**"), which collateral assignment and security interest shall include any and all rights to payment of money under the MPA's with respect to Tranche 4-2020 and those other attributes and rights associated with the Tranche 4-2020 SHRECs, (iii) a collateral assignment of all of the right, title and interest in that certain Sale and Contribution Agreement (Tranche 4) by and between Green Bank and the Company, dated as of the ~~July 24, 2020~~closing date of the modification of the Loan including without limitation, any security interest created by the Sale and Contribution Agreement, and (iv) a security interest in the MPA Collection Account, the Webster Interest Reserve Account and the Liberty Interest Reserve Account (the security interests listed in (i)-(iv) hereof, together, the "**SHREC Collateral**"); and

WHEREAS, Green Bank staff recommends that the Board approve the proposed renewal and extension of the Loan, generally in accordance with the terms of the summary term sheet presented to the Board on July 24, 2020.

NOW, therefore be it:

RESOLVED, that the Green Bank hereby authorizes, ratifies and approves the Loan, as modified, from Liberty-Webster to the Company pursuant to (i) the memorandum to the Board dated July 24, 2020, inclusive of the summary of terms referred to therein and (ii) the terms of the ~~Amended~~Amendment to Credit Agreement and the other Loan Documents (as defined in the ~~Amended~~Amendment to Credit Agreement, including all of the documents listed on Exhibit B hereto); and be it further

RESOLVED, that each of the Company and the Green Bank be and it hereby is, and at the time it entered into the Loan and/or the Guaranty was, authorized to secure the Loan and the Guaranty by, among other things, granting to Agent and/or Webster-Liberty a first priority security interest in and to its property, including, without limitation the SHREC Collateral; and be it further

RESOLVED, that the Board hereby authorizes, directs, ratifies and approves the Company's entering into the Amendment to Credit Agreement and all documents listed on Exhibit B to which it is a party and of each other contract or instrument to be executed and delivered by the Company in connection with the transactions contemplated by these resolutions (collectively, the "**Modification Documents**"); and be it further

RESOLVED, that the Board hereby authorizes, directs, ratifies and approves the Green Bank's entering into ~~that certain (i) Collateral Assignment of Master Purchase Agreements and Other Loan Documents ("**Collateral Assignment**"), (ii) Pledge and Security Agreement ("**Pledge**"), which constitutes a~~

~~first priority pledge and security interest to Agent~~the Amendment to Credit Agreement and all documents listed on Exhibit B to which it is a party and of each other contract or instrument to be executed and delivered by the Green Bank~~'s 100% membership interest in the Company, and (iii) Guaranty Agreement ("**Guaranty**"; and together with the Collateral Assignment and the Pledge~~ in connection with the transactions contemplated by these resolutions (collectively, the "**Guaranty Documents**"); and be it further

RESOLVED, that the Board hereby authorizes, directs, ratifies and approves (i) the Green Bank's execution, delivery and performance of the Guaranty Documents (including the Amendment to Credit Agreement) and all of the Green Bank's obligations under the Guaranty Documents and (ii) the Company's execution, delivery and performance of the ~~Amended~~Modification Documents (including the Amendment to Credit Agreement~~ and the other Loan Documents~~) and all of the Company's obligations under the ~~Amended~~Modification Documents (including the Amendment to Credit Agreement~~ and the other Loan Documents~~); and be it further

RESOLVED, that the actions of Bryan Garcia in his capacity as the President and Chief Executive Officer of Green Bank ("**Garcia**"), Roberto Hunter in his capacity as the Chief Investment Officer of Green Bank ("**Hunter**") and Brian Farnen in his capacity as General Counsel and Chief Legal Officer of Green Bank ("**Farnen**"; and together with Garcia and Hunter, each an "**Authorized Signatory**"), are hereby authorized, empowered, ratified and approved with regard to the negotiation, finalization, execution and delivery, on behalf of Green Bank and the Company, of the Guaranty Documents, the ~~Amended~~Amendment to Credit Agreement and the ~~other Loan~~Modification Documents and any other agreements that they deemed necessary and appropriate to carry out the foregoing objectives of Green Bank and/or the Company, and any other agreements, contracts, legal instruments or documents as they deemed necessary or appropriate and in the interests of Green Bank and/or the Company in order to carry out the intent and accomplish the purpose of the foregoing resolutions are hereby authorized, ratified and approved; and be it further

RESOLVED, that ~~the~~each Authorized ~~Signatories~~Signatory be, hereby ~~are~~is, acting singly, and at the time of the execution of the Guaranty Documents, the ~~Amended~~Amendment to Credit Agreement and the ~~other Loan~~Modification Documents ~~were~~is, authorized, empowered and directed, for and on behalf of the Green Bank and the Company (in the Green Bank's capacity as the sole member of the Company), to execute and deliver the Guaranty Documents, the ~~Amended~~Amendment to Credit Agreement~~ and the other Loan Documents~~, the Modification Documents and any agreements, instruments and/or certificates related to the modification of the Loan as such Authorized Signatory shall deem necessary or appropriate and in the interests of Green Bank and/or the Company in order to carry out the intent and accomplish the purpose of the foregoing resolutions; and be it further

RESOLVED, that any other actions taken by any Authorized Signatory are hereby approved and ratified to the extent that such Authorized Signatory or Authorized Signatories have deemed such actions necessary, appropriate and desirable to effect the ~~above-mentioned legal instrument or instruments~~foregoing resolutions.

EXHIBIT A

AMENDMENT TO CREDIT AGREEMENT

TO BE ATTACHED

EXHIBIT B

AMENDMENT DOCUMENTS

1. Amended and Restated Promissory Note in the original principal amount of $5,000,000 made by Company in favor of Liberty Bank.
2. Amended and Restated Promissory Note in the original principal amount of $5,000,000 made by Company in favor of Webster.
3. Perfection Certificate made by Company in favor of Webster-Liberty.
4. Amended and Restated Security Agreement made by the Company in favor of Agent.
5. Amended and Restated Collateral Assignment of Master Purchase Agreements and Other Loan Documents made by the Company and Green Bank to Agent.

Document comparison by Workshare 9 on Wednesday, July 22, 2020 2:28:14 PM

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FIRST AMENDMENT TO CREDIT AGREEMENT AND OTHER LOAN DOCUMENTS

THIS FIRST AMENDMENT TO CREDIT AGREEMENT AND OTHER LOAN DOCUMENTS (this "Amendment") is made as of July [___], 2020, by and among SHREC WAREHOUSE 1 LLC, a Connecticut limited liability company ("Borrower"), CONNECTICUT GREEN BANK, a quasi-public agency of the State of Connecticut ("Guarantor"), WEBSTER BANK, NATIONAL ASSOCIATION, a national banking association, and LIBERTY BANK, a mutual savings bank, each in their capacities as a lender (each a "Lender" and collectively, the "Lenders"), and WEBSTER BANK, NATIONAL ASSOCIATION, a national banking association, in its capacity as administrative agent ("Administrative Agent").

RECITALS

A. Reference is made to that certain Credit Agreement dated as of July 31, 2019, among Borrower, Lenders, Administrative Agent and Lead Arranger (the "Credit Agreement"). All capitalized terms used but not specifically defined herein shall have the meanings provided for such terms in the Credit Agreement, as amended by this Amendment.

B. Borrower has requested that Administrative Agent and Lenders amend certain terms and conditions of the Credit Agreement and the other Loan Documents, including a reduction of the Loan to the amount of $10,000,000 with a $4,000,000 uncommitted accordion feature.

C. Administrative Agent and Lenders are willing to amend certain terms and conditions of the Credit Agreement and the other Loan Documents, including reducing the Loan to the amount of $10,000,000 with a $4,000,000 uncommitted accordion feature, pursuant to the terms of this Amendment.

NOW, THEREFORE, in consideration of the foregoing and of other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby agree as follows:

1. Amendments to the Credit Agreement. The Credit Agreement is hereby amended as follows:

(a) Section 1.01 of the Credit Agreement is hereby amended so that each of the following defined terms are amended and restated in their entirety as follows:

"Aggregate Commitments" means the aggregate Commitments of all Lenders. The initial amount of the Aggregate Commitments in effect on the First Amendment Date is Ten Million Dollars ($10,000,000).

"Applicable Percentage" means with respect to any Lender at any time, the percentage (carried out to the ninth decimal place) of the Aggregate Commitments represented by such Lender's Commitment at such time, subject to adjustment as provided in Section 2.12 and Section 2.14. If the commitment of each Lender to make Advances has been terminated pursuant to Section 8.02 or if the Aggregate Commitments have expired, then the Applicable Percentage of each Lender shall be determined based on the Applicable Percentage of such Lender most recently in effect, giving effect to any subsequent assignments. The initial Applicable Percentage of each Lender is set forth opposite the name of such Lender on Schedule 2.01, as the same may be updated or adjusted from time to time after the effectuation of an Incremental Facility, or in the Assignment and Assumption pursuant to which such Lender becomes a party hereto, as applicable.

"Collateral" means all of the "Collateral", the "Assigned UI MPA", the "Assigned Eversource MPA", and the "SCA Lien" referred to in the Collateral Documents and all of the other property that is or is intended under the terms of this Agreement, the Collateral Documents or the other Loan Documents to be subject to Liens in favor of a Lender or Liens in favor of the Administrative Agent for the benefit of the Secured Parties including, without limitation, the Interest Reserve Accounts and the MPA Collection Account; provided that there shall be excluded from the Collateral (a) any account, instrument, chattel paper or other obligation or property of any kind due from, owed by, or belonging to a Sanctioned Person and (b) any lease in which the lessee is a Sanctioned Person.

"Collateral Assignment of MPAs" means that certain Amended and Restated Collateral Assignment of Master Purchase Agreements and Other Loan Documents dated as of the First Amendment Date, made by Borrower and Connecticut Green Bank in favor of Administrative Agent, as amended, restated, amended and restated, supplemented or otherwise modified from time to time.

"Commitment" means, as to each Lender, its obligation to make Advances to Borrower pursuant to Section 2.01, in an aggregate principal amount at any one time outstanding not to exceed the amount set forth opposite such Lender's name on Schedule 2.01 (as the same may be increased pursuant to Section 2.14) or in the Assignment and Assumption pursuant to which such Lender becomes a party hereto, as applicable, as such amount may be adjusted from time to time in accordance with this Agreement.

"Initial Maturity Date" means [July 31, 2021].

"LIBOR Rate" means, with respect to the Interest Period applicable to any LIBOR Rate Advance, a rate of interest per annum, as determined by the Administrative Agent, equal to the greater of (i) 0.5% and (ii) the rate for deposits in Dollars for a period of one, two or three months, as the case may be, which appears on Reuters Page 'LIBOR01' (or such other page as may replace the LIBOR Page on that service for the purpose of displaying such rates or such other service as may be nominated by the ICE Benchmark Administration, for the purpose of displaying London interbank offered rates for Dollar deposits) as of 11:00 a.m., London time, on the day that is two (2) Business Days prior to the first day of such Interest Period.

"Master Purchase Agreements" means, collectively, (i) that certain Master Purchase Agreement for the Purchase and Sale of Solar Home Renewable Energy Credits dated as of February 7, 2017, between The United Illuminating Company and Connecticut Green Bank, as amended by that certain First Amendment to Master Purchase Agreement dated as of July 30, 2018, as further amended by that certain Second Amendment to Master Purchase Agreement dated as of April 1, 2020, together with all Tranche Confirmations executed in connection therewith, and (ii) that certain Master Purchase Agreement for the Purchase and Sale of Solar Home Renewable Energy Credits dated as of February 7, 2017, between The Connecticut Light and Power Company dba Eversource Energy and Connecticut Green Bank, as amended by that certain First Amendment to Master

Purchase Agreement dated as of July 30, 2018, as further amended by that certain Second Amendment to Master Purchase Agreement dated as of April 1, 2020, together with all Tranche Confirmations executed in connection therewith, as each has been or hereafter may be amended, restated, amended and restated, supplemented or otherwise modified from time to time in accordance with the terms of this Agreement.

"Sale and Contribution Agreement" means that certain Sale and Contribution Agreement (Tranche 4) dated as of [_________], between Connecticut Green Bank and Borrower, as amended, restated, amended and restated, supplemented or otherwise modified from time to time in accordance with the terms of this Agreement.

"Securitization Documents" means, collectively (i) the "Transaction Documents" as defined in that certain Base Indenture by and between SHREC ABS 1, as issuer and The Bank of New York Mellon Trust Company, N.A, as trustee, dated as of April 2, 2019, as supplemented by the Series 2019-1 Indenture Supplement thereto, dated as of April 2, 2019, (ii) the "Transaction Documents" as defined in that certain Note Purchase Agreement dated as of March 26, 2019, by and between SHREC ABS 1, Connecticut Green Bank, and RBC Capital Markets, LLC, in its capacity as initial purchaser, (iii) that certain Indenture of Trust dated as of [__________, 2020], between Connecticut Green Bank and The Bank of New York Mellon Trust Company, N.A., as trustee, each "Supplemental Indenture" issued thereunder, and all other documents, instruments and certificates executed in connection therewith, and (iv) the Securitized Tranche Confirmations, as the same may be amended, restated, amended and restated, supplemented or otherwise modified from time to time.

"Securitized Tranche Confirmations" means collectively (i) that certain Transaction Confirmation Under Master Purchase Agreement for the Purchase and Sale of Solar Home Renewable Energy Credits dated July 1, 2017, between The Connecticut Light and Power Company dba Eversource Energy and Connecticut Green Bank, (ii) that certain Transaction Confirmation Under Master Purchase Agreement for the Purchase and Sale of Solar Home Renewable Energy Credits dated July 1, 2017, between The United Illuminating Company and Connecticut Green Bank, (iii) that certain Transaction Confirmation Under Master Purchase Agreement for the Purchase and Sale of Solar Home Renewable Energy Credits dated July 15, 2018, between The Connecticut Light and Power Company dba Eversource Energy and Connecticut Green Bank, (iv) that certain Transaction Confirmation Under Master Purchase Agreement for the Purchase and Sale of Solar Home Renewable Energy Credits dated July 15, 2018, between The United Illuminating Company and Connecticut Green Bank, (v) that certain Transaction Confirmation Under Master Purchase Agreement for the Purchase and Sale of Solar Home Renewable Energy Credits dated June 28, 2019, between The Connecticut Light and Power Company dba Eversource Energy and Connecticut Green Bank, and (vi) that certain Transaction Confirmation Under Master Purchase Agreement for the Purchase and Sale of Solar Home Renewable Energy Credits dated June 28, 2019, between The United Illuminating Company and Connecticut Green Bank.

"Security Agreement" means that certain Amended and Restated Security Agreement dated as of the First Amendment Date, made by Borrower in favor of the Administrative Agent, as amended, restated, amended and restated, supplemented or otherwise modified from time to time.

(b) Section 1.01 of the Credit Agreement is hereby amended so that each of the following defined terms are added thereto in alphabetical order:

> "Collateralized Tranche" means, individually and collectively in each instance where used, (i) Tranche 4-2020, and (ii) any future Tranche that is given or purported to be given as security for the Obligations.
>
> "First Amendment" means that certain First Amendment to Credit Agreement and Other Loan Documents dated as of the First Amendment Date, among Borrower, Guarantor, Lenders, and Administrative Agent.
>
> "First Amendment Date" means July [___], 2020.
>
> "Increase Effective Date" has the meaning specified in Section 2.14.
>
> "Incremental Facility" has the meaning specified in Section 2.14.
>
> "Securitized Tranche SPV" means, individually and collectively in each instance where used, (i) SHREC ABS 1, (ii) Connecticut Green Bank, in its capacity as issuer under any Securitization Documents, and (iii) any other Person who is the issuer under any Securitization Documents.
>
> "SHREC ABS 1" means SHREC ABS 1 LLC, a Delaware limited liability company.
>
> "Tranche 4-2020" means the Tranche(s) created by (i) that certain Transaction Confirmation Under Master Purchase Agreement for the Purchase and Sale of Solar Home Renewable Energy Credits dated July 15, 2020, between The Connecticut Light and Power Company dba Eversource Energy and Connecticut Green Bank, and (ii) that certain Transaction Confirmation Under Master Purchase Agreement for the Purchase and Sale of Solar Home Renewable Energy Credits dated July 15, 2020, between The United Illuminating Company and Connecticut Green Bank, as the same may be amended, restated, amended and restated, supplemented or otherwise modified from time to time in accordance with the terms of this Agreement.

(c) Section 1.01 of the Credit Agreement is hereby amended so that the defined term "Tranche 3-2019" is deleted.

(d) The second proviso of Section 2.01 of the Credit Agreement is hereby deleted in its entirety and replaced with the following:

> "; and provided, further, that until all items required by Section 10 of the First Amendment shall have been satisfied in Required Lenders' discretion, Lenders shall not make, or be obligated to make, any Advances in excess of $6,000,000 in the aggregate."

(e) Section 2.03(b)(v) of the Credit Agreement is hereby deleted in its entirety and replaced with the following:

> "In the event of a securitization of any Collateralized Tranche, SHRECs from such Collateralized Tranche or Borrower's rights to payment under the Master Purchase

Agreements with respect to such Collateralized Tranche, the net proceeds of such securitization."

(f) A new Section 2.14 is hereby added to the Credit Agreement, which Section 2.14 shall state as follows:

"**Section 2.14 Increase in Commitments of Lenders**.

(a) Request for Increase. Provided there exists no Default or Event of Default, upon notice to the Administrative Agent (which shall promptly notify the Required Lenders), the Borrower may, from time to time, request an increase in the Commitment by an amount (for all such requests) not exceeding $4,000,000 (an "Incremental Facility"); provided, that (i) any such request for an Incremental Facility shall be in a minimum amount of $1,000,000, and (ii) the Borrower may make a maximum of four (4) such requests. At the time of sending such notice, the Borrower (in consultation with the Administrative Agent) shall specify the time period within which each Lender is requested to respond (which shall in no event be less than ten (10) Business Days from the date of delivery of such notice to the Lenders).

(b) Lender Elections to Increase. Each Lender shall notify the Administrative Agent within such time period whether or not it agrees to increase its Commitment and, if so, whether by an amount equal to, greater than, or less than its Applicable Percentage of such requested increase. Any Lender not responding within such time period shall be deemed to have declined to increase its Commitment. Notwithstanding anything to the contrary contained in this Section 2.14, no Lender shall be obligated to increase its Commitment.

(c) Notification by Administrative Agent; Additional Lenders. The Administrative Agent shall notify the Borrower and each Lender of the Lenders' responses to each request made under this Section 2.14.

(d) Effective Date and Allocations. If the Commitment is increased in accordance with this Section 2.14, the Administrative Agent and the Borrower shall determine the effective date (the "Increase Effective Date") and the final allocation of such increase. The Administrative Agent shall promptly notify the Borrower and the Lenders of the final allocation of such increase and the Increase Effective Date.

(d) Conditions to Effectiveness of Increase. As a condition precedent to such increase, the Borrower shall deliver to the Administrative Agent a certificate of each Loan Party dated as of the Increase Effective Date (in sufficient copies for each Lender) signed by a Responsible Officer of such Loan Party (i) certifying and attaching the resolutions adopted by such Loan Party approving or consenting to such increase, and (ii) certifying that, before and after giving effect to such increase, (A) the representations and warranties contained in Article V and the other Loan Documents are true and correct, on and as of the Increase Effective Date, and except that for purposes of this Section 2.14, the representations and warranties contained in subsections (a) and (b) of Section 5.05 shall be deemed to refer to the most recent statements furnished pursuant to clauses (a), (b), (c) and (d), respectively, of Section 6.01, and (B) both before and after giving effect to the Incremental Facility, no Default or Event of Default exists. The Borrower shall deliver or cause to be delivered any other customary documents, including, without limitation, new Notes and legal opinions, as requested by the Administrative Agent or Required Lenders in connection with any Incremental Facility. The Borrower shall prepay any Loans outstanding on the Increase Effective Date (and pay any additional amounts required pursuant to Section 3.05) to the extent necessary to keep the outstanding Loans ratable with any revised Applicable Percentages arising from any nonratable increase in the Commitments under this Section.

(e) Conflicting Provisions. This Section shall supersede any provisions in Section 2.11 or Section 10.01 to the contrary.

(f) Incremental Facility. Except as otherwise specifically set forth herein, all of the other terms and conditions applicable to such Incremental Facility shall be identical to the terms and conditions applicable to the Commitment."

(g) Section 5.23 of the Credit Agreement is hereby deleted in its entirety and replaced with the following:

5.23 Tranche 3-2019; Master Purchase Agreements.

(a) The Collateralized Tranche was created in accordance with applicable Law and the terms and conditions of the Master Purchase Agreements.

(b) All SHREC Projects (and the related owners and installers thereof) included in the Collateralized Tranche meet the eligibility requirements for a qualifying residential solar photovoltaic system pursuant to the Energy Act and have been so certified by PURA and NEPOOL GIS.

(c) The "Tranche Delivery Term Start Date" (as defined in each of the Master Purchase Agreements) for the Collateralized Tranche has occurred, and all conditions precedent for each Utility to purchase SHRECs generated by the SHREC Projects included in the Collateralized Tranche have occurred and/or been satisfied.

(d) No Lien exists on the Collateralized Tranche or the SHRECs generated by the SHREC Projects included therein.

(e) Prior to and after giving effect to the Collateralized Tranche, Connecticut Green Bank will not have achieved deployment of 255.4MW of qualifying residential solar photovoltaic installations, or executed the final Tranche Confirmation under any of the Master Purchase Agreements.

(f) No portion of the SHRECs generated under the Collateralized Tranche or the Assigned Contracts have been sold, transferred, assigned or acquired by, or are subject to any Lien in favor of, any Securitized Tranche SPV or any other Person.

(g) No portion of the SHRECs generated under the Collateralized Tranche constitute SHRECs generated by SHREC Projects included in the Securitized Tranches.

(h) No portion of the SHRECs generated under the Collateralized Tranche or the Assigned Contracts are related assets of the Securitized Tranches.

(i) No portion of the SHRECs generated under, or the SHREC Projects listed in, the Collateralized Tranche are listed on any schedule of SHRECs or SHREC Projects owned by any Securitized Tranche SPV or any other Person.

(h) Section 6.02(e) of the Credit Agreement is hereby deleted in its entirety and replaced with the following:

"as soon as available, but in any event no later than 15 days after the end of each calendar quarter, a report of all SHRECs from the Collateralized Tranche registered with NEPOOL GIS and transferred to the Utilities, which report shall be in form and substance reasonably acceptable to the Required Lenders."

(i) Section 6.02(f) of the Credit Agreement is hereby deleted in its entirety and replaced with the following:

"at the same time such invoices are delivered to the Utilities, copies of all invoices generated in connection with the Master Purchase Agreements in connection with the Collateralized Tranche, the registration of SHRECs from the Collateralized Tranche with NEPOOL GIS and the transfer of the SHRECs from the Collateralized Tranche to the Utilities."

(j) Section 6.02(g) of the Credit Agreement is hereby deleted in its entirety and replaced with the following:

"as soon as available, but in any event no later than 15 days after the end of each calendar quarter, quarterly reports showing the energy generated by the SHREC Projects in the Collateralized Tranche, which reports shall be in form and substance reasonably acceptable to the Required Lenders."

(k) Section 6.03(d) of the Credit Agreement is hereby deleted in its entirety and replaced with the following:

"of any default, event of default, notice of termination or other dispute under a Master Purchase Agreement (including, without limitation, if there is any dispute as to any invoice generated or payment requested under a Master Purchase Agreement with respect to the Collateralized Tranche or if the dispute provisions in Article 15 of a Master Purchase Agreement is utilized by any party thereto);"

(l) Section 6.03(f) of the Credit Agreement is hereby deleted in its entirety and replaced with the following:

"if Borrower, Connecticut Green Bank or a Utility requests a change to any Tranche Confirmation for the Collateralized Tranche;"

(m) Section 6.03(h) of the Credit Agreement is hereby deleted in its entirety and replaced with the following:

"of all notices, decisions and/or orders given or made by any Governmental Authority in connection with any SHRECs (including, without limitation, SHRECs from the Collateralized Tranche), any SHREC Projects (including, without limitation, SHREC Projects included in the Collateralized Tranche), or any of the Master Purchase Agreements;"

(n) Section 6.03(i) of the Credit Agreement is hereby deleted in its entirety and replaced with the following:

"if any SHREC Project in the Collateralized Tranche goes offline or is damaged or destroyed;"

(o) Section 6.03(p) of the Credit Agreement is hereby deleted in its entirety and replaced with the following:

"if any Person claims in writing that (i) any portion of the SHRECs generated under the Collateralized Tranche or the Assigned Contracts has been sold, transferred, assigned or acquired by, or are subject to any Lien in favor of, any Person other than Administrative Agent, (ii) any portion of the SHRECs generated under the Collateralized Tranche are SHRECs generated by SHREC Projects included in the Securitized Tranches, (iii) any portion of the SHRECs generated under the Collateralized Tranche or the Assigned Contracts are related assets of the Securitized Tranches, and/or (iv) any portion of the SHRECs generated under, or the SHREC Projects listed in, the Collateralized Tranche are listed on any schedule of SHRECs or SHREC Projects owned by any Securitized Tranche SPV or any other Person."

(p) Section 6.15(b) of the Credit Agreement is hereby deleted in its entirety and replaced with the following:

"Verify that all SHRECs generated by the SHREC Projects in the Collateralized Tranche comply with the conditions precedent to "Delivery" to the Utilities under and as defined in the Master Purchase Agreements."

(q) Section 6.19(b) of the Credit Agreement is hereby deleted in its entirety and replaced with the following:

"Transfer of Funds Under the Master Purchase Agreement. On or prior to the First Amendment Date, Borrower and Connecticut Green Bank shall have given the Utilities notice under Section 7.3 of the Master Purchase Agreements to have all payments due to Borrower and/or Connecticut Green Bank under the Master Purchase Agreements with respect to the Collateralized Tranche be made by wire transfer to the MPA Collection Account. Borrower and Connecticut Green Bank shall not, and shall not permit any Person to (i) notify or instruct any Utility that any payments due (or to become due) under a Master Purchase Agreement with respect to the Collateralized Tranche should be paid or sent to any Person or place other than the MPA Collection Account, or (ii) take any action that would cause or have the effect of causing any payment due (or to become due) under a Master Purchase Agreement with respect to the Collateralized Tranche to be paid or sent to any Person or place other than the MPA Collection Account."

(r) Section 7.17(b) of the Credit Agreement is hereby deleted in its entirety and replaced with the following:

> "Amend, amend and restate, supplement, otherwise modify or terminate any Master Purchase Agreement or the Tranche Confirmations relating to the Collateralized Tranche, in each case without the prior written consent of the Required Lenders, which consent shall be in the Required Lenders' sole and absolute discretion."

(s) Section 7.18(a) of the Credit Agreement is hereby deleted in its entirety and replaced with the following:

> "Cause, permit or suffer to exist any portion of the SHRECs generated under the Collateralized Tranche or the Assigned Contracts to be sold, transferred, assigned or acquired by, or become subject to the Lien of, any Securitized Tranche SPV or any other Person."

(t) Section 7.18(b) of the Credit Agreement is hereby deleted in its entirety and replaced with the following:

> "Cause, permit or suffer to exist any portion of the SHRECs generated under, or the SHREC Projects listed in, the Collateralized Tranche to be listed on any schedule of SHRECs owned by any Securitized Tranche SPV or any other Person."

(u) Section 8.01(p) of the Credit Agreement is hereby deleted in its entirety and replaced with the following:

> "Diversion of Funds. Borrower or Connecticut Green Bank (i) notifies or instructs (or permits any Person to notify or instruct) any Utility that any payments due (or to become due) under a Master Purchase Agreement with respect to the Collateralized Tranche should be paid or sent to any Person or place other than the MPA Collection Account, or (ii) takes any action (or permits any Person to take any action) that would cause or have the effect of causing any payment due (or to become due) under a Master Purchase Agreement with respect to the Collateralized Tranche to be paid or sent to any Person or place other than the MPA Collection Account; or"

(v) Section 8.01(t) of the Credit Agreement is hereby deleted in its entirety and replaced with the following:

> "Securitized Tranches. Any portion of the SHRECs generated under the Collateralized Tranche or the Assigned Contracts is sold, transferred, assigned or acquired by, or becomes subject to the Lien of, any Securitized Tranche SPV or any other Person; or any portion of the SHRECs generated under, or the SHREC Projects listed in, the Collateralized Tranche are listed on any schedule of SHRECs owned by any Securitized Tranche SPV or any other Person; or"

(w) Schedule 2.01 of the Credit Agreement is hereby deleted in its entirety and replaced with Schedule 2.01 attached hereto as Annex I.

(x) The form of Note attached as Exhibit B to the Credit Agreement is deleted in its entirety and replaced with the form of Note attached as Annex II.

2. Omnibus Amendment to Loan Documents. Each reference in each of the Loan Documents to "$14,000,000" as being the original amount of the Loan (regardless of whether such reference is spelled out, stated numerically or a combination of both) is deleted and changed to "$10,000,000" (or spelled out or recited as a combination of numbers and words), as applicable, mutatis mutandis, and shall also be deemed to be a reference to $10,000,000 as such amount may increase, from time to time, with the implementation of any Incremental Facility.

3. Reaffirmation.

(a) Each of Borrower and Guarantor hereby acknowledges, reaffirms and confirms its respective liabilities for the Obligations and the Indebtedness evidenced by the Credit Agreement and the other Loan Documents. Each of Borrower and Guarantor acknowledges and agrees that the Loan Documents, as modified hereby, are enforceable against Borrower, Guarantor and the Collateral in accordance with their respective terms.

(b) Guarantor hereby consents to the amendments and modifications of the Loan and the Loan Documents pursuant to the terms and conditions set forth in this Amendment and the Modification Documents. The Guarantee of Guarantor under the Guaranty and the obligations of Guarantor thereunder and under the other Loan Documents are hereby ratified, confirmed and reaffirmed, and each and every provision, covenant, condition, obligation, right, appointment and power contained in and under such Guarantee and the Loan Documents is hereby ratified, reaffirmed and confirmed in all respects and shall continue in full force and effect. Such Guarantee has not been modified, amended, cancelled, terminated, released, satisfied, invalidated, superseded or otherwise rendered of no force or effect. Guarantor acknowledges and agrees that such Guarantee is binding and enforceable against it in accordance with its terms. This ratification, confirmation and reaffirmation is made by Guarantor with the knowledge that Administrative Agent and Lenders will rely upon the statements made herein in entering into this Amendment and is made for the purpose of inducing Administrative Agent and Lenders to enter into this Amendment.

4. References. All references in the Credit Agreement to "this Agreement" shall be deemed to refer to the Credit Agreement as amended hereby; and any and all references in the Loan Documents to the Credit Agreement shall be deemed to refer to the Credit Agreement as amended hereby.

5. No Other Changes. Except as explicitly amended by this Amendment and the Modification Documents, all of the terms and conditions of the Credit Agreement and the other Loan Documents shall remain in full force and effect and are hereby ratified and confirmed in all respects. This Amendment is not intended to, and shall not be construed to, effect a novation, and, except as expressly provided herein and in the Modification Documents, none of the Loan Documents shall have been modified, amended, cancelled, terminated, released, satisfied, superseded or otherwise invalidated.

6. Conditions Precedent. This Amendment shall be effective when:

(a) Administrative Agent shall have received an executed version of this Amendment, each replacement Note, the Collateral Assignment of MPAs and the Security Agreement;

(b) Administrative Agent shall have received a certificate from a Responsible Officer of each of Borrower and Guarantor, certifying as to the organizational documents of Borrower and Guarantor (as applicable), together with an incumbency, good standing certificates and resolutions authorizing the execution of this Amendment;

(c) Administrative Agent shall have received such other documents, instruments, agreements and certificates as Administrative Agent may reasonably require, each in substance and form acceptable to Administrative Agent in its sole discretion; and

(d) Administrative Agent shall have received a renewal fee in the amount of $75,000 for the ratable benefit of the Lenders.

7. Representations and Warranties. Each of Borrower and Guarantor hereby represents and warrants to Administrative Agent and Lenders as follows:

(a) Each of Borrower and Guarantor is duly organized, validly existing and in legal good standing in its jurisdiction of organization (or, with respect to Guarantor, a duly formed and validly existing quasi-public agency of the State of Connecticut), has the power and authority to own its property and to carry on its business as now being conducted, and is duly qualified to do business and is in good standing as a foreign entity in all jurisdictions wherein such failure could have a material adverse effect upon the enforceability of any of its contracts, business, operations, financial condition or prospects, and has not changed its name or used any other name and has filed all trade names certificates as required or appropriate.

(b) Each of Borrower and Guarantor has all requisite power and authority to execute this Amendment and the other Loan Documents to be executed in connection herewith (collectively, the "Modification Documents") and to perform all of its obligations hereunder and thereunder, and this Amendment and the Modification Documents have been duly executed and delivered by Borrower and Guarantor (with the individual(s) executing this Amendment and the Modification Documents on behalf of Borrower and Guarantor being duly authorized to do so) and constitutes Borrower's and Guarantor's legal, valid and binding obligation, enforceable against Borrower and Guarantor in accordance with its terms.

(c) The execution, delivery and performance by Borrower and Guarantor of this Amendment and the Modification Documents have been duly authorized by all necessary corporate, limited liability company or other action of Borrower and Guarantor and the execution, delivery and performance of this Amendment and the Modification Documents by Borrower and Guarantor do not (i) require any authorization, consent or approval by, or any filing, registration or qualification with, any Governmental Authority, (ii) violate any provision of any Law or of any judgment, order, writ, injunction or decree presently in effect, having applicability to Borrower or Guarantor, (iii) violate Borrower's or Guarantor's articles of incorporation or by-laws, certificate of formation or operating agreement, or other organizational or constituent documents (including any applicable Laws as they relate to the creation and governance of Guarantor), (iv) result in a breach of or constitute a default under any indenture, loan, loan agreement, note, bond, debenture, mortgage, deed of trust, security agreement, lease or other agreement, document or instrument to which Borrower or Guarantor is a party or by which Borrower, Guarantor or their respective properties may be bound or affected, or (v) result in the imposition or creation of any Lien on Borrower or Guarantor or any of their respective properties.

(d) All of the representations and warranties made by Borrower and Guarantor in the Loan Documents are true, correct and complete on and as of the date hereof as though made on and as of the date hereof.

(e) No Default or Event of Default has occurred and is continuing under the Loan Documents.

(f) There is no claim, loss, contingency, litigation or proceeding, whether or not pending, threatened or imminent, against or otherwise affecting Borrower or Guarantor that involves the possibility of any judgment or liability not fully covered by insurance or that may result in a material adverse change in its business, properties or condition (financial or otherwise), including, without limitation, the Collateral.

(g) No setoff, counterclaim or defense exists with respect to Borrower's or Guarantor's obligations under the Loan Documents and no other claims against Administrative Agent or any Lender exist.

8. Release. Each of Borrower and Guarantor hereby absolutely and unconditionally releases and forever discharges Administrative Agent, each Lender, and any and all participants, affiliates, parent corporations, subsidiary corporations, affiliated corporations, insurers, indemnitors, successors and assigns thereof, together with all of the present and former directors, officers, members, managers, managing members, agents and employees of any of the foregoing (collectively, the "Releasees"), from any and all claims, demands or causes of action of any kind, nature or description, whether arising in law or equity or upon contract or tort or under any state or federal Law or otherwise, which Borrower or Guarantor has had, now has or has made claim to have against any of the Releasees for or by reason of any act, omission, matter, cause or thing whatsoever arising from the beginning of time to and including the date of this Amendment, whether such claims, demands and causes of action are matured or unmatured or known or unknown.

9. Costs and Expenses. Borrower hereby reaffirms its agreement under the Credit Agreement to pay or reimburse Administrative Agent and Lenders on demand for all costs and expenses incurred by Administrative Agent and/or Lenders in connection with the Loan Documents, including without limitation all reasonable fees and disbursements of legal counsel. Without limiting the generality of the foregoing, Borrower specifically agrees to pay all fees and disbursements of counsel to Administrative Agent and Lenders for the services performed by such counsel in connection with the preparation of this Amendment and the documents and instruments incidental hereto, including all fees and disbursements incurred in the review, negotiation and approval of the items listed in Section 10 hereof.

10. Post-Closing Covenants. Borrower and Guarantor acknowledge and agree that they were to furnish Administrative Agent with certain items in connection with the execution of this Amendment. Below is a list of outstanding items which were not provided to Administrative Agent prior to the date hereof. Borrower and Guarantor acknowledge and agree that Administrative Agent and Lenders have agreed to proceed with the transactions contemplated by this Amendment on the condition that such items are furnished to Administrative Agent by the due date listed next to each such item. Borrower and Guarantor shall provide such items to Administrative Agent as soon as possible, but in any event no later than the dates listed below for each such item (with time being of the essence). Borrower's and/or Guarantor's failure to provide such items by the due dates listed below shall constitute an Event of

Default under the Loan Documents, entitling the Administrative Agent and/or the Lenders to their full rights and remedies thereunder.

Item to be Provided	Due Date
[TBD]	

11. Miscellaneous.

(a) This Amendment may be executed in any number of counterparts, each of which when so executed and delivered shall be deemed an original and all of which counterparts, taken together, shall constitute one and the same instrument. Executed counterparts of this Amendment delivered by facsimile or in electronic format (such as ".pdf") will be effective as the delivery of manually executed counterpart originals.

(b) This Amendment shall be binding upon and inure to the benefit of Borrower, Guarantor, Administrative Agent, Lenders and their respective successors and assigns; provided, that neither Borrower nor Guarantor may assign their rights or obligations under this Amendment without the prior written consent of Administrative Agent and Required Lenders, which consent shall be in Administrative Agent's and Required Lender's sole and absolute discretion.

(c) Any provision of this Amendment held to be invalid, illegal or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such invalidity, illegality or unenforceability without affecting the validity, legality or enforceability of the remaining provisions hereof; and the invalidity of a particular provision in a particular jurisdiction shall not invalidate such provision in any other jurisdiction.

(d) BORROWER, GUARANTOR AND ANY SUBSEQUENT ENDORSER, GUARANTOR OR OTHER ACCOMODATION MAKER OF THE LOAN EACH HEREBY WAIVES PRESENTMENT, DEMAND FOR PAYMENT AND NOTICE OF DISHONOR IN CONNECTION WITH THE LOAN.

(e) EACH OF BORROWER AND GUARANTOR HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THE LOAN, THIS AMENDMENT, ANY MODIFICATION DOCUMENT OR ANY OTHER LOAN DOCUMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY). EACH OF BORROWER AND GUARANTOR (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ADMINISTRATIVE AGENT OR LENDERS HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT ADMINISTRATIVE AGENT AND/OR LENDERS WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT EACH OF ADMINISTRATIVE AGENT AND LENDERS WERE INDUCED TO ENTER INTO THIS AMENDMENT BY, AMONG OTHER THINGS, THE WAIVERS AND CERTIFICATIONS IN THIS SECTION.

(f) THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF CONNECTICUT.

(g) EACH OF BORROWER AND GUARANTOR EXPRESSLY ACKNOWLEDGES THAT THIS AMENDMENT AND EACH TRANSACTION RELATED TO IT IS A "COMMERCIAL TRANSACTION" WITHIN THE MEANING OF CHAPTER 903a OF THE CONNECTICUT GENERAL STATUTES, AS AMENDED. EACH OF BORROWER AND GUARANTOR HEREBY VOLUNTARILY AND KNOWINGLY WAIVES ANY AND ALL RIGHTS WHICH ARE OR MAY BE CONFERRED UPON IT UNDER CHAPTER 903a OF SAID STATUTES (OR ANY OTHER FEDERAL OR STATE LAW AFFECTING PREJUDGMENT REMEDIES) TO ANY NOTICE OR HEARING OR PRIOR COURT ORDER OR THE POSTING OF A BOND PRIOR TO THE ADMINISTRATIVE AGENT OR ANY LENDER OBTAINING A PREJUDGMENT REMEDY. EACH OF BORROWER AND GUARANTOR FURTHER WAIVES ANY REQUIREMENT OR OBLIGATION OF THE ADMINISTRATIVE AGENT OR ANY LENDER TO POST A BOND OR OTHER SECURITY IN CONNECTION WITH ANY PREJUDGMENT REMEDY OBTAINED BY ADMINISTRATIVE AGENT OF ANY LENDER. EACH OF BORROWER AND GUARANTOR ACKNOWLEDGES THAT IT HAS BEEN ADVISED BY COUNSEL OF ITS CHOICE OR HAS HAD THE OPPORTUNITY TO RETAIN COUNSEL OF ITS CHOICE WITH RESPECT TO THIS TRANSACTION AND THIS AMENDMENT.

(h) All of the parties hereto have participated in the preparation of this Amendment and the Modification Documents, and this Amendment and the Modification Documents are the product of the joint effort and cooperation of the parties hereto and thereto. In the event of any ambiguity or question relating to any provision of this Amendment or the Modification Documents, said ambiguity shall not be construed against any party hereto.

(i) EACH OF BORROWER AND GUARANTOR ACKNOWLEDGES THAT IT HAS BEEN REPRESENTED BY LEGAL COUNSEL IN CONNECTION WITH THIS AMENDMENT AND THE MODIFICATION DOCUMENTS OR HAS HAD THE OPPORTUNITY TO BE REPRESENTED BY LEGAL COUNSEL IN CONNECTION WITH THIS AMENDMENT AND THE MODIFICATION DOCUMENTS.

(j) The captions and headings of each section and paragraph herein are for convenience only and shall be disregarded in construing this Amendment.

(k) The Administrative Agent and the Lenders shall have the benefit of the State of Connecticut's pledge and agreement contained in Connecticut General Statutes Section 16-245n(h) which states: "(1) The state of Connecticut does hereby pledge to and agree with any person with whom the Connecticut Green Bank may enter into contracts pursuant to the provisions of this section that the state will not limit or alter the rights hereby vested in said bank until such contracts and the obligations thereunder are fully met and performed on the part of said bank, provided nothing herein contained shall preclude such limitation or alteration if adequate provision shall be made by law for the protection of such persons entering into contracts with said bank. The pledge provided by this subsection shall be interpreted and applied broadly to effectuate and maintain the bank's financial capacity to perform its essential public and governmental function. (2) The contracts and obligations thereunder of said bank shall be obligatory upon the bank, and the bank may appropriate in each year during the term of such contracts an amount of money that, together with other funds of the bank available for such purposes, shall be sufficient to pay such contracts and obligations or meet any contractual covenants or warranties."

[Signature page follows]

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be duly executed as of the date first written above.

SHREC WAREHOUSE 1 LLC

By: Connecticut Green Bank,
its sole member

By:___________________________
Name:
Title:

CONNECTICTUT GREEN BANK

By:______________________________
Name:
Title:

WEBSTER BANK, NATIONAL ASSOCIATION, as Administrative Agent

By: ____

Name:

Title:

WEBSTER BANK, NATIONAL ASSOCIATION, as a Lender

By: ____

Name:

Title:

LIBERTY BANK, as a Lender

By: ____

Name:

Title:

Annex I

Schedule 2.01

(Attached)

SCHEDULE 2.01

COMMITMENTS
AND APPLICABLE PERCENTAGES

Lender	**Commitment**	**Applicable Percentage**
Webster Bank, National Association	$5,000,000	50.000000000
Liberty Bank	$5,000,000	50.000000000

Annex II

Form of Note

(Attached)

Promissory Note

[$____________] __________, 20__

FOR VALUE RECEIVED, SHREC WAREHOUSE 1 LLC, a Connecticut limited liability company (the "Borrower"), hereby promises to pay to the order of [___________] or its assigns (the "Lender"), in accordance with the provisions of the Credit Agreement (as hereinafter defined), the principal amount of up to [__________] AND [__]/100 DOLLARS [($__________)] for the Loan from time to time made by the Lender to the Borrower under that certain Credit Agreement dated as of July 31, 2019, by and among the Borrower, each lender from time to time party thereto, Webster Bank, National Association, as Administrative Agent, and Liberty Bank, as Lead Arranger (as amended, restated, amended and restated, extended, supplemented or otherwise modified in writing from time to time, the "Credit Agreement"; capitalized terms used herein but not defined herein shall have the meaning ascribed thereto in the Credit Agreement), together with interest fees and charges thereon.

The Borrower hereby promises to pay principal and interest on the unpaid principal amount of the Loan from the date of such Loan until such principal amount is paid in full, in such amounts, at such interest rates and at such times as provided in the Credit Agreement. All payments of principal and interest with respect to this Promissory Note shall be made to the Administrative Agent for the account of the Lender in Dollars in immediately available funds at the Administrative Agent's Office. If any amount is not paid in full when due hereunder, such unpaid amount shall bear interest, to be paid upon demand, from the due date thereof until the date of actual payment (and before as well as after judgment) computed at the per annum rate set forth in the Credit Agreement.

This Promissory Note is one of the Notes referred to in the Credit Agreement, and the holder is entitled to the benefits thereof. This Loan made by the Lender shall be evidenced by one or more loan accounts or records maintained by the Lender in the ordinary course of business. The Lender may also attach schedules to this Promissory Note and endorse thereon the date, amount and maturity of its Loan and payments with respect thereto.

The Borrower, for itself, its successors and assigns, hereby waives diligence, presentment, protest and demand and notice of protest, demand, dishonor and non-payment of this Promissory Note.

Delivery of an executed counterpart of a signature page of this Promissory Note by fax transmission or other electronic mail transmission (e.g. "pdf" or "tif") shall be effective as delivery of a manually executed counterpart of this Promissory Note.

THIS NOTE SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF CONNECTICUT.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, this Promissory Note is duly executed as of the date set forth above.

SHREC WAREHOUSE 1 LLC

By:____________________________________
Name:
Title:

Amended and Restated Promissory Note

$5,000,000.00 July [__], 2020

FOR VALUE RECEIVED, SHREC WAREHOUSE 1 LLC, a Connecticut limited liability company (the "Borrower"), hereby promises to pay to the order of LIBERTY BANK, a mutual savings bank or its assigns (the "Lender"), in accordance with the provisions of the Credit Agreement (as hereinafter defined), the principal amount of up to FIVE MILLION AND 00/100 DOLLARS ($5,000,000.00) for the Loan from time to time made by the Lender to the Borrower under that certain Credit Agreement dated as of July 31, 2019, by and among the Borrower, each lender from time to time party thereto, Webster Bank, National Association, as Administrative Agent, and Liberty Bank, as Lead Arranger, as amended by that certain First Amendment to Credit Agreement and Other Loan Documents dated as of the date hereof (as the same has been or hereafter may be amended, restated, amended and restated, extended, supplemented or otherwise modified in writing from time to time, the "Credit Agreement"; capitalized terms used herein but not defined herein shall have the meaning ascribed thereto in the Credit Agreement), together with interest fees and charges thereon.

The Borrower hereby promises to pay principal and interest on the unpaid principal amount of the Loan from the date of such Loan until such principal amount is paid in full, in such amounts, at such interest rates and at such times as provided in the Credit Agreement. All payments of principal and interest with respect to this Amended and Restated Promissory Note shall be made to the Administrative Agent for the account of the Lender in Dollars in immediately available funds at the Administrative Agent's Office. If any amount is not paid in full when due hereunder, such unpaid amount shall bear interest, to be paid upon demand, from the due date thereof until the date of actual payment (and before as well as after judgment) computed at the per annum rate set forth in the Credit Agreement.

This Amended and Restated Promissory Note is one of the Notes referred to in the Credit Agreement, and the holder is entitled to the benefits thereof. This Loan made by the Lender shall be evidenced by one or more loan accounts or records maintained by the Lender in the ordinary course of business. The Lender may also attach schedules to this Amended and Restated Promissory Note and endorse thereon the date, amount and maturity of its Loan and payments with respect thereto.

The Borrower, for itself, its successors and assigns, hereby waives diligence, presentment, protest and demand and notice of protest, demand, dishonor and non-payment of this Amended and Restated Promissory Note.

This Amended and Restated Promissory Note completely amends, restates and replaces, in its entirety, that certain Promissory Note dated as of July 31, 2019, executed by Borrower in favor of Lender (the "Existing Note"). It is expressly understood and agreed by Borrower that (i) the principal balance of this Amended and Restated Promissory Note includes certain Obligations hitherto evidenced by the Existing Note, which Existing Note is now represented by this Amended and Restated Promissory Note and which Existing Note has no independent force or effect, and (ii) to the extent any of such Obligations are included in the principal balance of this Amended and Restated Promissory Note, this Amended and Restated Promissory Note (a) merely evidences such Obligations, (b) amends and is given in substitution for, and not in payment of, the Existing Note and (c) is in no way intended, and shall not be deemed or construed, to constitute a novation of the Existing Note.

Delivery of an executed counterpart of a signature page of this Amended and Restated Promissory Note by fax transmission or other electronic mail transmission (e.g. "pdf" or "tif") shall be effective as delivery of a manually executed counterpart of this Amended and Restated Promissory Note.

THIS NOTE SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF CONNECTICUT.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, this Amended and Restated Promissory Note is duly executed as of the date set forth above.

SHREC WAREHOUSE 1 LLC

By:_____________________________________
Name:
Title:

Amended and Restated Promissory Note

$5,000,000.00 July [__], 2020

FOR VALUE RECEIVED, SHREC WAREHOUSE 1 LLC, a Connecticut limited liability company (the "Borrower"), hereby promises to pay to the order of WEBSTER BANK, NATIONAL ASSOCIATION, a national banking association or its assigns (the "Lender"), in accordance with the provisions of the Credit Agreement (as hereinafter defined), the principal amount of up to FIVE MILLION AND 00/100 DOLLARS ($5,000,000.00) for the Loan from time to time made by the Lender to the Borrower under that certain Credit Agreement dated as of July 31, 2019, by and among the Borrower, each lender from time to time party thereto, Webster Bank, National Association, as Administrative Agent, and Liberty Bank, as Lead Arranger, as amended by that certain First Amendment to Credit Agreement and Other Loan Documents dated as of the date hereof (as the same has been or hereafter may be amended, restated, amended and restated, extended, supplemented or otherwise modified in writing from time to time, the "Credit Agreement"; capitalized terms used herein but not defined herein shall have the meaning ascribed thereto in the Credit Agreement), together with interest fees and charges thereon.

The Borrower hereby promises to pay principal and interest on the unpaid principal amount of the Loan from the date of such Loan until such principal amount is paid in full, in such amounts, at such interest rates and at such times as provided in the Credit Agreement. All payments of principal and interest with respect to this Amended and Restated Promissory Note shall be made to the Administrative Agent for the account of the Lender in Dollars in immediately available funds at the Administrative Agent's Office. If any amount is not paid in full when due hereunder, such unpaid amount shall bear interest, to be paid upon demand, from the due date thereof until the date of actual payment (and before as well as after judgment) computed at the per annum rate set forth in the Credit Agreement.

This Amended and Restated Promissory Note is one of the Notes referred to in the Credit Agreement, and the holder is entitled to the benefits thereof. This Loan made by the Lender shall be evidenced by one or more loan accounts or records maintained by the Lender in the ordinary course of business. The Lender may also attach schedules to this Amended and Restated Promissory Note and endorse thereon the date, amount and maturity of its Loan and payments with respect thereto.

The Borrower, for itself, its successors and assigns, hereby waives diligence, presentment, protest and demand and notice of protest, demand, dishonor and non-payment of this Amended and Restated Promissory Note.

This Amended and Restated Promissory Note completely amends, restates and replaces, in its entirety, that certain Promissory Note dated as of July 31, 2019, executed by Borrower in favor of Lender (the "Existing Note"). It is expressly understood and agreed by Borrower that (i) the principal balance of this Amended and Restated Promissory Note includes certain Obligations hitherto evidenced by the Existing Note, which Existing Note is now represented by this Amended and Restated Promissory Note and which Existing Note has no independent force or effect, and (ii) to the extent any of such Obligations are included in the principal balance of this Amended and Restated Promissory Note, this Amended and Restated Promissory Note (a) merely evidences such Obligations, (b) amends and is given in substitution for, and not in payment of, the Existing Note and (c) is in no way intended, and shall not be deemed or construed, to constitute a novation of the Existing Note.

Delivery of an executed counterpart of a signature page of this Amended and Restated Promissory Note by fax transmission or other electronic mail transmission (e.g. "pdf" or "tif") shall be effective as delivery of a manually executed counterpart of this Amended and Restated Promissory Note.

THIS NOTE SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF CONNECTICUT.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, this Amended and Restated Promissory Note is duly executed as of the date set forth above.

SHREC WAREHOUSE 1 LLC

By:______________________________
Name:
Title:

PERFECTION CERTIFICATE

[__________], 2020

In connection with that certain Credit Agreement dated as of July 31, 2019, by and among SHREC WAREHOUSE 1 LLC, a Connecticut limited liability company (the "Borrower"), the Lenders from time to time party thereto, WEBSTER BANK, NATIONAL ASSOCIATION, as Administrative Agent, and LIBERTY BANK, as Lead Arranger, as amended by that certain First Amendment to Credit Agreement and Other Loan Documents dated as of the date hereof (as the same has been or hereafter may be amended, restated, amended and restated, extended, supplemented or otherwise modified in writing from time to time, the "Credit Agreement"; capitalized terms used herein but not defined shall have the meanings ascribed to them in the Credit Agreement), Borrower hereby certifies to Administrative Agent, Lenders and Secured Parties as follows:

I. Current Information

A. Legal Name, Organizations, Corporate Functions, Jurisdiction of Organization and Organizational Identification Number. The full and exact legal name (as it appears in its certificate or articles of organization or incorporation or similar organizational documents, in each case as amended to date), the type of organization, the corporate function, the jurisdiction of organization and the state organizational identification number and federal taxpayer identification number of Borrower is as follows:

Name of Company	Type of Organization (e.g. corporation, limited liability company, limited partnership)	Corporate Function	Jurisdiction of Organization	Organizational Identification Number	Federal Taxpayer Identification Number

B. Chief Executive Offices, Mailing Addresses and other Locations. The chief executive office address and the preferred mailing address and any other location in which Borrower maintains any collateral or any books and records relating thereto of Borrower is as follows:

Name of Company	Address of Chief Executive Office	Mailing Address (if different)	Location where Books and Records are Kept (if different)

C. Warehousemen, Bailees, etc. Except as set forth below, no Persons (including warehousemen, customs brokers, freight forwarders, common carriers or other bailees) other than Borrower have possession of any assets (including goods, inventory and equipment) of Borrower:

Name of Company	Nature of Possession (bailee, warehouseman, etc.)	Description of Assets and Value	Address/City/State/Zip Code	County

D. Changes in Names, Jurisdiction of Organization or Corporate Structure.

Except as set forth below, Borrower has not used any other corporate or organizational name or changed its name, jurisdiction of organization or its corporate structure in any way (e.g. by merger, consolidation, change in corporate form, change in jurisdiction of organization or otherwise) within the past five (5) years:

Name of Company	Date of Change	Description of Change

E. Acquisitions of Equity Interests or Assets.

Except as set forth below, Borrower has not acquired the controlling equity interests of another entity or substantially all the assets of another entity within the past five (5) years:

Name of Company	Date of Acquisition	Description of Acquisition

F. Corporate Ownership and Organizational Structure.

Attached as Exhibit A hereto is a true and correct organizational chart showing the ownership of the Borrower.

II. Investment Related Property

A. Securities. Set forth below is a list of all equity interests owned by the Borrower together with the type of organization which issued such equity interests (e.g. corporation, limited liability company, partnership or trust):

Issuer	Type of Organization	# of Shares Owned	Total Shares Outstanding	Owner	Certificate No. (if uncertificated, please indicate so)	Par Value

B. Securities Accounts. Set forth below is a list of all securities accounts of the Borrower:

Name of Company	Account Number	Type of Account	Name & Address of Financial Institutions/Financial Intermediary

C. **Deposit Accounts.** Set forth below is a list of all bank accounts (checking, savings, money market, lockbox or the like) of the Borrower:

Name of Company	Account Number	Type of Account[1]	Name & Address of Financial Institutions

D. **Instruments.** Set forth below is a list of all instruments held by or payable to the Borrower:

Name of Company	Issuer of Instrument	Principal Amount of Instrument	Maturity Date

[1] E.g., concentration account, local depository account, payroll account, account to pay taxes, etc.

III. Intellectual Property

A. Set forth below is a list of all copyrights, patents, trademarks and other intellectual property (including any applications therefor) owned or licensed by the Borrower:

Copyrights	Owner	Application/ Filing Date	Status	Application/ Registration No.

Patents	Owner	Application/ Filing Date	Status	Application/ Registration No.

Trademarks	Owner	Application/ Filing Date	Status	Application/ Registration No.

IV. Commercial Tort Claims. The Borrower currently has the following commercial tort claims against other parties relating to the Collateral being pledged to Administrative Agent:

Name of Company	Case Name/Filing Number/ Jurisdiction/Filing Date	Defendant	Summary of Claim[2]

[2] Include current status of matter (e.g., discovery, summary judgment, etc.) and approximate amount in controversy.

V. **Existing Debt.** Set forth on Schedule 1 attached hereto is a description of indebtedness for borrowed money ("Debt") of Borrower. With respect to any Debt, copies of all notes, loan agreements, indentures, security instruments and other material documents related to such Debt are provided herewith.

VI. **Material Contracts.** Set forth on Schedule 2 attached hereto is a list of all Material Contracts of the Borrower. "Material Contract" means any contract or agreement material to the business, operations, condition (financial or otherwise), performance or properties of the Borrower or that relates to any futures contract or any Debt. With respect to any Material Contracts, copies of all such Material Contracts are provided herewith.

VII. **Litigation**. Set forth on Schedule 3 attached hereto is a complete description of any lawsuits pending against Borrower , its subsidiaries or any of its officers.

Borrower acknowledges and agrees that the Administrative Agent, the Lenders and the other Secured Parties are relying on the information represented in this Perfection Certificate as an inducement to enter into the Credit Agreement and provide loans and other financial accommodations to or for the benefit of Borrower, subject to the terms and conditions of the Credit Agreement.

[signature page follows]

IN WITNESS WHEREOF, the undersigned hereto have caused this Perfection Certificate to be executed as of the date above first written by its officer thereunto duly authorized.

BORROWER:

SHREC WAREHOUSE 1 LLC

By:______________________________
Name:
Title:

[Signature Page to Perfection Certificate]

Exhibit A

Corporate Organizational Chart

Schedule 1

Existing Debt

Schedule 2

Material Contracts

<u>**Schedule 3**</u>

Litigation

AMENDED AND RESTATED SECURITY AGREEMENT

THIS AMENDED AND RESTATED SECURITY AGREEMENT (this "Agreement"), dated as of July [__], 2020, is made by and between **SHREC WAREHOUSE 1 LLC**, a Connecticut limited liability company, having an address at 845 Brook Street, Rocky Hill, Connecticut 06067 (the "Borrower") and **WEBSTER BANK, NATIONAL ASSOCIATION,** a national banking association, having an address at 157 Church Street, 20th Floor, New Haven, Connecticut 06510, as Administrative Agent (in such capacity, the "Agent") for the ratable benefit of the Secured Parties.

WHEREAS, pursuant to a certain Credit Agreement dated as of July 31, 2019, by and among the Borrower, the Lenders from time to time party thereto, Webster Bank, National Association, as Administrative Agent, and Liberty Bank, as Lead Arranger, as amended by that certain First Amendment to Credit Agreement and Other Loan Documents dated as of the date hereof (as the same has been or hereafter may be amended, restated, amended and restated, extended, supplemented or otherwise modified from time to time, the "Credit Agreement"), the Lenders have agreed to make a Loan to Borrower in the aggregate principal amount of up to Ten Million and 00/100 Dollars ($10,000,000.00) together with any Incremental Facilities implemented in connection with the $4,000,000 uncommitted accordion feature under the Credit Agreement, in each case as provided therein;

WHEREAS, Borrower and Agent entered into that certain Security Agreement dated as of July 31, 2019 (the "Original Security Agreement") and the Borrower and Agent have agreed to amend and restate the Original Security Agreement in order to, among other things, redefine the definition of "Collateral";

WHEREAS, it is a condition precedent to the Lenders to continue to otherwise extend credit or provide financial accommodations to the Borrower under the Credit Agreement that the Borrower enter into this Agreement; and

WHEREAS, the Borrower wishes to grant a security interest in favor of the Agent for the ratable benefit of the Secured Parties, as herein provided.

NOW, THEREFORE, in consideration of the promises contained herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. Definitions. All capitalized terms used herein without definitions (whether in the plural or singular form) shall have the respective meanings provided therefor in the Credit Agreement. The term "State," as used herein, means the State of Connecticut. All terms defined in the UCC of the State and used herein shall have the same definitions herein as specified therein (regardless of whether such terms are capitalized, and including without limitation the terms used in Section 2 herein); provided, that the term "document" shall not have the meaning provided in the UCC except with respect to Section 2 herein. However, if a term is defined in Article 9 of the UCC of the State differently than in another Article of the UCC of the State, the term has the meaning specified in Article 9. The term "Obligations," as used herein, shall have the meaning ascribed to it in the Credit Agreement. The rules of interpretation specified in Section 1.02 of the Credit Agreement shall be applicable to this Agreement.

2. Grant of Security Interest. The Borrower hereby grants to the Agent, for the ratable benefit of the Secured Parties, to secure the payment and performance in full of all of the Obligations, a security interest in and pledge and assignment of the following properties, assets and rights of the Borrower, wherever located, whether now owned or hereafter acquired or arising, and all proceeds and products thereof (all of the same, including, without limitation, the properties assets and rights listed below, being hereinafter called the "Collateral"): all assets including all personal and fixture property of every kind and nature, including without limitation all goods (including inventory, equipment and any accessions thereto), instruments (including promissory notes), documents, accounts, money, chattel paper (whether tangible or electronic), deposit accounts, letter-of-credit rights (whether or not the letter of credit is evidenced by a writing), commercial tort claims, securities and all other investment property, supporting obligations, any other contract rights or rights to the payment of money (including, without limitation, any and all rights to payment of money under the Master Purchase Agreements with respect to the Collateralized Tranche), insurance, insurance claims and proceeds, all general intangibles (including all payment intangibles), copyrights, patents, trademarks and other intellectual property, all SHRECs listed on the SHRECs Schedule (as such term is defined in the Sale and Contribution Agreement) and the Related Rights (as such term is defined in the Sale and Contribution Agreement), the SCA Lien (as defined in the Collateral Assignment of MPAs), and all products and proceeds of the foregoing.

3. **Authorization to File Financing Statements**. The Borrower hereby irrevocably authorizes the Agent at any time and from time to time to file in any filing office in any UCC jurisdiction any initial financing statements, continuations and amendments thereto that (a) indicate the Collateral (i) as all assets or, as the case may be, all personal property of the Borrower or words of similar effect, regardless of whether any particular asset comprised in the Collateral falls within the scope of Article 9 of the UCC of the State or such jurisdiction, or (ii) as being of an equal or lesser scope or with greater detail, and (b) provide any other information required by part 5 of Article 9 of the UCC of the State or such other jurisdictions for the sufficiency or filing office acceptance of any financing statement, continuation or amendment, including (i) if the Borrower is an organization, the type of organization and any organizational identification number issued to the Borrower and, (ii) in the case of a financing statement filed as a fixture filing or indicating Collateral as extracted collateral or timber to be cut, a sufficient description of real property to which the Collateral relates. The Borrower agrees to furnish any such information to the Agent promptly upon the Agent's request. The Borrower also ratifies its authorization for the Agent to have filed in any UCC jurisdiction any like initial financing statements, continuations or amendments thereto if filed prior to the date hereof.

4. **Other Actions.** Further to insure the attachment, perfection and first priority of, and the ability of the Agent to enforce, the Agent's security interest in the Collateral, the Borrower agrees, in each case at the Borrower's expense, to take the following actions with respect to the following Collateral and without limitation on the Borrower's other obligations contained in this Agreement:

4.1. **Promissory Notes and Chattel Paper.** If the Borrower shall now or at any time hereafter hold or acquire any promissory notes or tangible chattel paper, the Borrower shall forthwith endorse, assign and deliver the same to the Agent, accompanied by such instruments of transfer or assignment duly executed in blank as the Agent may from time to time specify. If the Borrower shall now or at any time hereafter hold or acquire any electronic chattel paper, the Borrower shall take such actions as the Agent shall require so the Agent has control of such electronic chattel paper.

4.2. **Deposit Accounts.** For each deposit account that the Borrower at any time opens or maintains at or with a Person other than the Agent, the Borrower shall, at the Agent's request and option, pursuant to an agreement in form and substance satisfactory to the Agent, among other things, either (a) cause the depositary bank to comply at any time with instructions from the Agent to such depositary bank directing the disposition of funds from time to time credited to such deposit account, without further consent of the Borrower, or (b) arrange for the Agent to become the customer of the depositary bank with respect to the deposit account, with the Borrower being permitted, only with the consent of the Agent, to exercise rights to withdraw funds from such deposit account. The provisions of this paragraph shall not apply to (i) any deposit account for which the Borrower, the depositary bank and the Agent have entered into a cash collateral agreement specially negotiated among the Borrower, the depositary bank and the Agent for the specific purpose set forth therein, (ii) a deposit account for which the Agent is the depositary bank and is in automatic control, and (iii) deposit accounts specially and exclusively used for payroll, payroll taxes and other employee wage and benefit payments to or for the benefit of the Borrower's salaried employees. Notwithstanding the foregoing, this paragraph shall in no way alter or modify Borrower's obligations pursuant to Sections 6.18 and 6.19 of the Credit Agreement.

4.3. **<u>Investment Property</u>**. If the Borrower shall now or at any time hereafter hold or acquire any certificated securities, the Borrower shall forthwith endorse, assign and deliver the same to the Agent, accompanied by such instruments of transfer or assignment duly executed in blank as the Agent may from time to time specify, together with a pledge or other agreement in form and substance satisfactory to the Agent. If any securities now or hereafter acquired by the Borrower are uncertificated and are issued to the Borrower or its nominees directly by the issuer thereof, the Borrower shall promptly notify the Agent thereof and, at the Agent's request and option, pursuant to a pledge or other agreement in form and substance satisfactory to the Agent, among other things, either (a) cause the issuer to agree to comply, without further consent of the Borrower or such nominee, with instructions from the Agent as to such securities, or (b) arrange for the Agent to become the registered owner of the securities. If any securities, whether certificated or uncertificated, or other investment property now or hereafter acquired by the Borrower are held by the Borrower or its nominee through a securities intermediary or commodity intermediary, the Borrower shall promptly notify the Agent thereof and, at the Agent's request and option, pursuant to an agreement in form and substance satisfactory to the Agent, among other things, either (i) cause such securities intermediary or (as the case may be) commodity intermediary to agree to comply, in each case without further consent of the Borrower or such nominee, with entitlement orders or other instructions from the Agent to such securities intermediary as to such securities or other investment property, and/or (as the case may be) to apply any value distributed on account of any commodity contract as directed by the Agent to such commodity intermediary, or (ii) in the case of financial assets or other investment property held through a securities intermediary, arrange for the Agent to become the entitlement holder with respect to such investment property, with the Borrower being permitted, only with the consent of the Agent, to exercise rights to withdraw or otherwise deal with such investment property. The provisions of this paragraph shall not apply to any financial assets credited to a securities account for which the Agent is the securities intermediary or any certificated or uncertificated interests governed by Section 4.9 herein and as to which the requirements of Section 4.9 have been satisfied.

4.4. **<u>Collateral in the Possession of a Bailee</u>**. If any Collateral is now or at any time hereafter in the possession of a bailee, the Borrower shall promptly notify the Agent thereof and, at the Agent's request and option, shall promptly obtain a lien waiver from such bailee which lien waiver shall contain an acknowledgement from the bailee, in form and substance satisfactory to the Agent, that the bailee holds such Collateral for the benefit of the Agent and such bailee's agreement to comply, without further consent of the Borrower, at any time with instructions of the Agent as to such Collateral.

4.5. **<u>Electronic Chattel Paper and Transferable Records</u>**. If the Borrower now or at any time hereafter holds or acquires an interest in any electronic chattel paper or any "<u>transferable record</u>," as that term is defined in Section 201 of the federal Electronic Signatures in Global and National Commerce Act, or in §16 of the Uniform Electronic Transactions Act as in effect in any relevant jurisdiction, the Borrower shall promptly notify the Agent thereof and, at the request and option of the Agent, shall take such action as the Agent may reasonably request to vest in the Agent control, under §9-105 of the UCC, of such electronic chattel paper or control under Section 201 of the federal Electronic Signatures in Global and National Commerce Act or, as the case may be, §16 of the Uniform Electronic Transactions Act, as so in effect in such jurisdiction, of such transferable record. The Agent agrees with the Borrower that the Agent will arrange, pursuant to procedures satisfactory to the Agent and so long as such procedures will not result in the Agent's loss of control, for the Borrower to make alterations to the electronic chattel paper or transferable record permitted under UCC §9-105 or, as the case may be, Section 201 of the federal Electronic Signatures in Global and National Commerce Act or §16 of the Uniform Electronic Transactions Act for a party in control to make without loss of control, unless an Event of Default has occurred and is continuing or would occur after taking into account any action by the Borrower with respect to such electronic chattel paper or transferable record.

4.6. **<u>Letter-of-Credit Rights</u>**. If the Borrower is now or at any time hereafter a beneficiary under a letter of credit, the Borrower shall promptly notify the Agent thereof and, at the request and option of the Agent, the Borrower shall, pursuant to an agreement in form and substance satisfactory to the Agent, either (i) arrange for the issuer and any confirmer or other nominated Person of such letter of credit to consent to an assignment to the Agent for the ratable benefit of the Secured Parties of the proceeds of the letter of credit or (ii) arrange for the Agent to become the transferee beneficiary of the letter of credit, with the Agent agreeing, in each case, that the proceeds of the letter of credit are to be held by Agent for the ratable benefit of the Secured Parties as cash collateral for the Obligations.

4.7 **<u>Commercial Tort Claims</u>**. If the Borrower shall now or at any time hereafter hold or acquire a commercial tort claim, the Borrower shall promptly notify the Agent in a writing signed by the Borrower of the particulars thereof and grant to the Agent for the ratable benefit of the Secured Parties in such writing a security interest therein and in the proceeds thereof, all upon the terms of this Agreement, with such writing to be in form and substance satisfactory to the Agent.

4.8. **<u>Other Actions as to any and all Collateral</u>**. The Borrower further agrees, upon the request of the Agent and at the Agent's option, to take any and all other actions as the Agent may determine to be necessary or useful for the attachment, perfection and required priority of, and the ability of the Agent to enforce, the Agent's security interest in any and all of the Collateral, including, without limitation, (a) executing, delivering and, where appropriate, filing financing statements, continuations and amendments relating thereto under the UCC, to the extent, if any, that the Borrower's signatures thereon are required therefor, (b) causing the Agent's name to be noted as secured party on any certificate of title for a titled good if such notation is a condition to attachment, perfection or priority of, or ability of the Agent to enforce, the Agent's security interest in such Collateral, (c) complying with any provision of any statute, regulation or treaty of the United States as to any Collateral if compliance with such provision is a condition to attachment, perfection or priority of, or ability of the Agent to enforce, the Agent's security interest in such Collateral, (d) obtaining governmental and other third party waivers, consents and approvals (including, without limitation, lien waivers) in form and substance satisfactory to the Agent, including, without limitation, any consent of any licensor, lessor or other Person obligated on Collateral, (e) obtaining waivers (including, without limitation, lien waivers) from mortgagees, warehousemen, processors, shippers, customs brokers, freight forwarders, repairmen, mechanics, bailees, licensors and landlords in form and substance satisfactory to the Agent, and (f) taking all actions under any earlier versions of the UCC or under any other Law, as determined by the Agent to be applicable in any relevant UCC or other jurisdiction, including any foreign jurisdiction. The Borrower shall not file any amendments, correction statements or termination statements concerning the Collateral without the prior written consent of the Agent, which consent shall be in the Agent's sole discretion.

4.9 **<u>Certification of Limited Liability Company and Limited Partnership Interests</u>**. No interest in any limited liability company or limited partnership controlled by the Borrower that constitutes Collateral shall be represented by a certificate unless (i) the limited liability company agreement or partnership agreement expressly provides that such interests shall be a "<u>security</u>" within the meaning of Article 8 of the UCC of the applicable jurisdiction, (ii) such certificate shall be delivered to the Agent within five (5) days of receipt of such certificate by the Borrower and (iii) the Borrower and the Agent shall enter into a pledge and security agreement in form and substance acceptable to the Agent.

5. **<u>Relation to Other Security Documents</u>**. The provisions of this Agreement supplement the provisions of any collateral assignment or other security document, if any, granted by the Borrower to the Agent and which secures the payment or performance of any of the Obligations. Nothing contained in any such collateral assignment or other security document shall derogate from any of the rights or remedies of the Agent hereunder.

6. **<u>Representations and Warranties Concerning Borrower's Legal Status</u>**. The Borrower represents and warrants to the Agent as follows: (a) the Borrower's exact legal name is indicated on the signature page hereof, (b) the Borrower is a limited liability company organized in the State of Connecticut, (c) the organizational identification number of the Borrower is 1307227 and (d) the Borrower's place of business or, if more than one, its chief executive office, as well as the Borrower's mailing address, if different, is as set forth in the preamble of this Agreement.

7. **<u>Covenants Concerning Borrower's Legal Status</u>**. The Borrower covenants with the Agent as follows: (a) without providing at least thirty (30) days prior written notice to the Agent, the Borrower will not change its name, place of business or, if more than one, chief executive office, or its mailing addresses or organizational identification number if the Borrower has one, (b) if the Borrower does not have organizational identification numbers and later obtains such numbers, the Borrower will, if applicable in the jurisdiction of perfection, promptly notify the Agent of such organizational identification number, and (c) the Borrower will not change its type of organization, jurisdiction of organization or other legal structure.

8. **<u>Representations and Warranties Concerning Collateral Etc</u>.** The Borrower further represents and warrants to the Agent as follows: (a) the Borrower is the owner of or has other rights in or power to transfer the Collateral, free from any right or claim of any Person or any Lien, security interest or other encumbrance, except for the security interest created by this Agreement, (b) none of the Collateral constitutes, or is the proceeds of, "<u>farm products</u>" as defined in §9-102(a)(34) of the UCC of the State, (c) none of the account debtors or other Persons obligated on any of the Collateral is a Governmental Authority covered by the Federal Assignment of Claims Act or like federal, state or local statute or rule in respect of such Collateral, (d) the Borrower holds no commercial tort claim and (e) the Borrower has at all times operated its business in compliance with all applicable Laws.

9. **<u>Covenants Concerning Collateral, Etc</u>.** The Borrower further covenants with the Agent as follows: (a) the Collateral, to the extent not delivered to the Agent pursuant to Section 4, will be kept at the address set forth in the preamble and the Borrower will not remove such Collateral from such locations, without providing at least thirty (30) days prior written notice to the Agent, (b) except for the security interest herein granted, the Borrower shall be the owner of or have other rights in or power to transfer the Collateral free from any right or claim of any other Person or any Lien, security interest or other encumbrance, and the Borrower shall defend the same against all claims, demands and Liens of all Persons at any time claiming the same or any interests therein adverse to the Agent, (c) the Borrower shall not pledge, mortgage or create, or suffer to exist any right of any Person in or claim by any Person to the Collateral, or any security interest, Lien or other encumbrance in the Collateral in favor of any Person, other than the security interest granted herein, (d) the Borrower will keep the Collateral in good order and repair and will not use the same in violation of Law or any policy of insurance thereon, (e) the Borrower will permit the Agent, or its designee, to inspect the Collateral at any reasonable time, wherever located, in accordance with Section 6.10 of the Credit Agreement, (f) the Borrower will pay promptly when due all Taxes, assessments, governmental charges and levies upon the Collateral or incurred in connection with the use or operation of the Collateral or incurred in connection with this Agreement, (g) the Borrower will continue to operate its business in compliance with all applicable provisions of the federal Fair Labor Standards Act, as amended, and with all applicable Laws, and (h) the

Borrower will not sell or otherwise dispose, or offer to sell or otherwise dispose, of the Collateral or any interest therein except for dispositions permitted by the Credit Agreement.

10. Insurance.

10.1. Maintenance of Insurance. The Borrower will maintain with financially sound and reputable insurers insurance with respect to its properties and business as provided in Section 6.07 of the Credit Agreement. All property insurance shall be payable to the Agent as loss payee under a loss payee clause acceptable to the Agent. Without limiting the foregoing, the Borrower will (i) keep all of its physical property insured with casualty or physical hazard insurance on an "all risks" basis, with electronic data processing coverage, with a full replacement cost endorsement and an "agreed amount" clause in an amount equal to 100% of the full replacement cost of such property, (ii) maintain all such workers' compensation or similar insurance as may be required by Law and (iii) maintain, in amounts and with deductibles equal to those generally maintained by businesses engaged in similar activities in similar geographic areas, general public liability insurance against claims of bodily injury, death or property damage occurring, on, in or about the properties of the Borrower; business interruption insurance; and product liability insurance. Such insurance maintained by the Borrower shall include, without limitation, insurance coverage on Collateral in the possession of the Agent.

10.2. Insurance Proceeds. The proceeds of any casualty insurance in respect of any casualty loss of any of the Collateral shall be applied as determined by the Agent in its sole discretion.

10.3. Continuation of Insurance. All policies of insurance shall provide for at least thirty (30) days prior written cancellation notice to the Agent or ten (10) days prior notice in the case of cancellation due to non-payment of premiums. In the event of failure by the Borrower to provide and maintain insurance as herein provided, the Agent may, at its option, provide such insurance and charge the amount thereof to the Borrower. The Borrower shall furnish the Agent with certificates of insurance and policies evidencing compliance with the foregoing insurance provision.

11. Collateral Protection Expenses; Preservation of Collateral.

11.1. Expenses Incurred by Agent. In the Agent's discretion, if the Borrower fails to do so, the Agent may discharge Taxes, Liens and other encumbrances at any time levied or placed on any of the Collateral, make repairs thereto, maintain any of the Collateral, and pay any necessary filing fees or insurance premiums. The Borrower agrees to reimburse the Agent on demand for all expenditures so made. The Agent shall have no obligation to the Borrower to make any such expenditures, nor shall the making thereof be construed as a waiver or cure of any Default or Event of Default.

11.2. Agent's Obligations and Duties. Anything herein to the contrary notwithstanding, the Borrower shall remain obligated and liable under each contract or agreement comprised in the Collateral to be observed or performed by the Borrower thereunder. The Agent shall not have any obligation or liability under any such contract or agreement by reason of or arising out of this Agreement or the receipt by the Agent of any payment relating to any of the Collateral, nor shall the Agent be obligated in any manner to perform any of the obligations of the Borrower under or pursuant to any such contract or agreement, to make inquiry as to the nature or sufficiency of any payment received by the Agent in respect of the Collateral or as to the sufficiency of any performance by any party under any such contract or agreement, to present or file any claim, to take any action to enforce any performance or to collect the payment of any amounts which may have been assigned to the Agent or to which the Agent may be entitled at any time or times. The Agent's sole duty with respect to the custody, safe keeping and physical preservation of the Collateral in its possession, under §9-207 of the UCC of the

State or otherwise, shall be to deal with such Collateral in the same manner as the Agent deals with similar property for its own account.

12. Securities and Deposits. Upon the occurrence and during the continuance of an Event of Default, the Agent may at its option, transfer to itself or any nominee any securities constituting Collateral, receive any income thereon and hold such income as additional Collateral or apply it to the Obligations. Whether or not any Obligations are due, the Agent may upon the occurrence and during the continuance of an Event of Default demand, sue for, collect, or make any settlement or compromise which it deems desirable with respect to the Collateral. Regardless of the adequacy of Collateral or any other security for the Obligations, any deposits or other sums at any time credited by or due from the Agent to the Borrower may at any time be applied to or set off against any of the Obligations then due and owing.

13. Notification to Account Debtors and Other Persons Obligated on Collateral. If an Event of Default shall have occurred and be continuing, the Borrower shall, at the request and option of the Agent, notify account debtors and other Persons obligated on any of the Collateral of the security interest of the Agent in any account, chattel paper, general intangible, instrument or other Collateral and that payment thereof is to be made directly to the Agent or to any financial institution designated by the Agent as the Agent's agent therefor, and the Agent may itself, if an Event of Default shall have occurred and be continuing, without notice to or demand upon the Borrower, so notify account debtors and other Persons obligated on Collateral. After the making of such a request or the giving of any such notification, the Borrower shall hold any proceeds of collection of accounts, chattel paper, general intangibles, instruments and other Collateral received by the Borrower as trustee for the Agent without commingling the same with other funds of the Borrower and immediately shall turn the same over to the Agent in the identical form received, together with any necessary endorsements or assignments. The Agent shall apply the proceeds of collection of accounts, chattel paper, general intangibles, instruments and other Collateral received by the Agent to the Obligations, such proceeds to be immediately credited after final payment in cash or other immediately available funds of the items giving rise to them.

14. Power of Attorney.

14.1. Appointment and Powers of Agent. The Borrower hereby irrevocably constitutes and appoints the Agent and any officer or agent thereof, with full power of substitution, as its true and lawful attorney-in-fact with full irrevocable power and authority in the place and stead of the Borrower or in the Agent's own name, for the purpose of carrying out the terms of this Agreement, to take any and all appropriate action and to execute any and all documents and instruments that may be necessary or useful to accomplish the purposes of this Agreement (including the following), in each case upon the occurrence and during the continuation of an Event of Default: generally to sell, transfer, pledge, make any agreement with respect to or otherwise dispose of or deal with any of the Collateral in such manner as is consistent with the UCC of the State and as fully and completely as though the Agent were the absolute owner thereof for all purposes, and to do, at the Borrower's expense, at any time, or from time to time, all acts and things which the Agent deems necessary or useful to protect, preserve or realize upon the Collateral and the Agent's security interest therein and Lien thereon, in order to effect the intent of this Agreement, all no less fully and effectively as the Borrower might do, including, without limitation, (i) the filing and prosecuting of registration and transfer applications with the appropriate federal, state or local agencies or authorities with respect to trademarks, copyrights and patentable inventions and processes, (ii) the exercise of voting rights with respect to voting securities, which rights may be exercised, if the Agent so elects, with a view to causing the liquidation of assets of the issuer of any such securities and (iii) the execution, delivery and recording, in connection with any sale or other disposition of any Collateral, of the endorsements, assignments or other instruments of conveyance or transfer with respect to such Collateral.

14.2. Ratification by Borrower. To the fullest extent permitted by applicable Law, the Borrower hereby ratifies all that said attorneys shall lawfully do or cause to be done by virtue hereof. This power of attorney is a power coupled with an interest and is irrevocable.

14.3. No Duty on Agent. The powers conferred on the Agent hereunder are solely to protect its interests in the Collateral and shall not impose any duty upon it to exercise any such powers. The Agent shall be accountable only for the amounts that it actually receives as a result of the exercise of such powers, and neither it nor any of its officers, directors, employees or agents shall be responsible to the Borrower for any act or failure to act, except for the Agent's own gross negligence or willful misconduct.

15. Rights and Remedies. If an Event of Default shall have occurred and be continuing, the Agent, without any other notice to or demand upon the Borrower, shall have in any jurisdiction in which enforcement hereof is sought, in addition to all other rights and remedies, the rights and remedies of a secured party under the UCC of the State and any additional rights and remedies as may be provided to a secured party in any other jurisdiction (whether by statute, at Law, in equity or otherwise), including, without limitation, the right to take possession of the Collateral, and for that purpose the Agent may enter upon any premises on which the Collateral may be situated and remove the same therefrom. The Agent may in its discretion require the Borrower to assemble all or any part of the Collateral at such location or locations within the jurisdiction(s) of the Borrower's principal office(s) or at such other locations as the Agent may reasonably designate. Unless the Collateral is perishable or threatens to decline speedily in value or is of a type customarily sold on a recognized market, the Agent shall give to the Borrower at least ten (10) days' prior written notice of the time and place of any public sale of Collateral or of the time after which any private sale or any other intended disposition is to be made. The Borrower hereby acknowledges that ten (10) days' prior written notice of such sale or sales shall be reasonable notice. In addition, the Borrower waives any and all rights that it may have to a judicial hearing in advance of the enforcement of any of the Agent's rights and remedies hereunder, including, without limitation, its right following an Event of Default to take immediate possession of the Collateral and to exercise its rights and remedies with respect thereto. The Agent may adjourn any private or public sale or other disposition by announcement at the time and place affixed therefor, and such sale or disposition, may, without further notice be made at the time and place to which it was so adjourned.

16. Standards for Exercising Rights and Remedies. To the extent that applicable Law imposes duties on the Agent to exercise remedies in a commercially reasonable manner, the Borrower acknowledges and agrees that it is not commercially unreasonable for the Agent (a) to fail to incur expenses reasonably deemed significant by the Agent to prepare Collateral for disposition or otherwise to fail to complete raw material or work in process into finished goods or other finished products for disposition, (b) to fail to obtain third party consents for access to Collateral to be disposed of, or to obtain or, if not required by other Law, to fail to obtain governmental or third party consents for the collection or disposition of Collateral to be collected or disposed of, (c) to fail to exercise collection remedies against account debtors or other Persons obligated on Collateral or to fail to remove Liens or encumbrances on or any adverse claims against Collateral, (d) to exercise collection remedies against account debtors and other Persons obligated on Collateral directly or through the use of collection agencies and other collection specialists, (e) to advertise dispositions of Collateral through publications or media of general circulation, whether or not the Collateral is of a specialized nature, (f) to contact other Persons, whether or not in the same business as the Borrower, for expressions of interest in acquiring all or any portion of the Collateral, (g) to hire one or more professional auctioneers to assist in the disposition of Collateral, whether or not the Collateral is of a specialized nature, (h) to dispose of Collateral by utilizing internet sites that provide for the auction of assets of the types included in the Collateral or that have the reasonable capability of doing so, or that match buyers and sellers of assets, (i) to dispose of assets in wholesale rather than retail markets, (j) to disclaim disposition representations and warranties, (k) to purchase insurance or credit enhancements to insure the Agent against risks of loss, collection or disposition of Collateral or to provide to the Agent a guaranteed return from the collection or disposition of Collateral, or (l) to the extent deemed appropriate by the Agent, to obtain the services of brokers, investment bankers, consultants and other professionals to assist the Agent in the collection or disposition of any of the Collateral. The Borrower acknowledges that the purpose of this Section 16 is to provide non-exhaustive indications of what actions or omissions by the Agent would fulfill the Agent's duties under the UCC of the State or any other relevant jurisdiction in the Agent's exercise of remedies against the Collateral and that other actions or omissions by the Agent shall not be deemed to fail to fulfill such duties solely on account of not being indicated in this Section 16. Without limitation upon the foregoing, nothing contained in this Section 16 shall be construed to grant any rights to the Borrower or to impose any duties on the Agent that would not have been granted or imposed by this Agreement or by applicable Law in the absence of this Section 16.

17. **No Waiver by Agent, etc**. The Agent shall not be deemed to have waived any of its rights and remedies in respect of the Obligations or the Collateral unless such waiver shall be in writing and signed by the Agent. No delay or omission on the part of the Agent in exercising any right or remedy shall operate as a waiver of such right or remedy or any other right or remedy. A waiver on any one occasion shall not be construed as a bar to or waiver of any right or remedy on any future occasion. All rights and remedies of the Agent with respect to the Obligations or the Collateral, whether evidenced hereby or by any other instrument or papers, shall be cumulative and may be exercised singularly, alternatively, successively or concurrently at such time or at such times as the Agent deems expedient.

18. **Suretyship Waivers by Borrower**. The Borrower waives, to the fullest extent permitted by applicable Law, demand, notice, protest, notice of acceptance of this Agreement, notice of loans made, credit extended, Collateral received or delivered or other action taken in reliance hereon and all other demands and notices of any description. With respect to both the Obligations and the Collateral, the Borrower assents to any extension or postponement of the time of payment or any other indulgence, to any substitution, exchange or release of or failure to perfect any security interest in any Collateral, to the addition or release of any party or Person primarily or secondarily liable, to the acceptance of partial payment thereon and the settlement, compromising or adjusting of any thereof, all in such manner and at such time or times as the Agent may deem advisable. The Agent shall have no duty as to the collection or protection of the Collateral or any income therefrom, the preservation of rights against prior parties, or the preservation of any rights pertaining thereto beyond the safe custody thereof as set forth in Section 11.2. The Borrower further waives, to the fullest extent permitted by applicable Law, any and all other suretyship defenses.

19. **Marshalling**. The Agent shall not be required to marshal any present or future collateral security (including but not limited to the Collateral) for, or other assurances of payment of, the Obligations or any of them or to resort to such collateral security or other assurances of payment in any particular order, and all of its rights and remedies hereunder and in respect of such collateral security and other assurances of payment shall be cumulative and in addition to all other rights and remedies, however existing or arising. To the fullest extent permitted by Law, the Borrower hereby agrees that it will not invoke any Law relating to the marshalling of collateral which might cause delay in or impede the enforcement of the Agent's rights and remedies under this Agreement or under any other instrument creating or evidencing any of the Obligations or under which any of the Obligations is outstanding or by which any of the Obligations is secured or payment thereof is otherwise assured, and, to the fullest extent permitted by Law, the Borrower hereby irrevocably waives the benefits of all such Laws.

20. **Proceeds of Dispositions; Expenses**. The Borrower shall pay to the Agent on demand amounts equal to any and all costs and expenses, including, without limitation, attorneys' fees and disbursements, incurred or paid by the Agent in protecting, preserving or enforcing the Agent's rights and remedies under or in respect of any of the Obligations or any of the Collateral. After deducting all of said costs and expenses, the residue of any proceeds of collection or sale or other disposition of Collateral shall, to the extent actually received in cash, be applied to the payment of the Obligations in such order or preference as the Agent may determine or in such order or preference as is provided in the Credit Agreement. Upon the final payment and satisfaction in full of all of the Obligations and after making any payments required by Sections 9-608(a)(1)(C) or 9-615(a)(4) of the UCC of the State, any excess shall be returned to the Borrower. In the absence of final payment and satisfaction in full of all of the Obligations, the Borrower shall remain liable for any deficiency.

21. **Overdue Amounts.** Until paid, all amounts due and payable by the Borrower hereunder shall be a debt and Obligation secured by the Collateral and shall bear, whether before or after judgment, interest at the rate of interest for overdue payments set forth in the Credit Agreement.

22. **Governing Law; Consent to Jurisdiction**. THIS AGREEMENT IS INTENDED TO TAKE EFFECT AND SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF CONNECTICUT. Each party hereto irrevocably and unconditionally submits, for itself and its property, to the nonexclusive jurisdiction of the courts of the State of Connecticut sitting in Hartford county and of the United States District Court of the District of Connecticut, and any appellate court from any thereof, in any action or proceeding arising out of or relating to this Agreement or any other Loan Document, or for recognition or enforcement of any judgment, and each of the parties hereto irrevocably and unconditionally agrees that all claims in respect of any such action or proceeding may be heard and determined in such Connecticut State court or, to the fullest extent permitted by applicable Law, in such federal court. Each of the parties hereto agrees that a final judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by Law. Nothing in this Agreement shall affect any right that Agent may otherwise have to bring any action or proceeding relating to this Agreement against the Borrower or any other Loan Party or its properties in the courts of any jurisdiction. Each party hereto irrevocably and unconditionally waives, to the fullest extent permitted by applicable Law, any objection that it may now or hereafter have to the laying of venue of any action or proceeding arising out of or relating to this Agreement in any court referred to above. Each of the parties hereto hereby irrevocably waives, to the fullest extent permitted by applicable Law, the defense of an inconvenient forum to the maintenance of such action or proceeding in any such court.

23. **Waiver of Jury Trial**. EACH PARTY HERETO HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY). EACH PARTY HERETO (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PERSON HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PERSON WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT AND THE OTHER LOAN DOCUMENTS BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION 23.

24. **Notices**. All communications and notices hereunder shall (except as otherwise expressly permitted herein) be in writing and given as provided in Section 10.02 of the Credit Agreement.

25. **Miscellaneous**. The headings of each section of this Agreement are for convenience only and shall not define or limit the provisions thereof. This Agreement and all rights and obligations hereunder shall be binding upon the Borrower and its successors and assigns, and shall inure to the benefit of the Agent and its successors and assigns; provided, that the Borrower may not assign its rights or obligations under this Agreement without the prior written consent of Agent, which consent shall be in Agent's sole discretion. The Borrower acknowledges receipt of a copy of this Agreement.

26. **Entire Agreement; Severability; Conflicts**.

26.1 **Entire Agreement**. This Agreement and the other Loan Documents are intended by the parties as the final, complete and exclusive statement of the subject matter hereof. All prior or contemporaneous promises, agreements and understandings (except for the other Loan Documents), whether oral or written, are deemed to be superceded by this Agreement, and no party is relying on any promise, agreement or understanding not set forth in this Agreement or the other Loan Documents. Nothing in this Agreement, express or implied, is intended to confer upon any party other than the parties hereto and thereto, any rights, remedies, obligations or liabilities under or by reason of this Agreement.

26.2 **Severability**. If any one or more terms or provisions contained in this Agreement (or portion thereof) or the application thereof to any circumstance shall, in any jurisdiction and to any extent, be held invalid, illegal or unenforceable, such terms or provisions (or portion thereof) shall be ineffective as to such jurisdiction only to the extent of such invalidity, illegality or unenforceability without invalidating or rendering unenforceable the remaining terms and provisions hereof or thereof (or portion thereof) or the application of such term or provision (or portion thereof) to circumstances other than those as to which it is held invalid, illegal or unenforceable. The parties shall endeavor in good faith to negotiate to replace the invalid, illegal or unenforceable provisions with valid provisions the economic effect of which comes as close as possible to that of the invalid, illegal or unenforceable provisions.

27. **Amendments.** Neither this Agreement nor any term hereof may be amended, waived, discharged or terminated, except in accordance with Section 10.01 of the Credit Agreement.

28. **Electronic Self-Help Authorization**. Upon and during an Event of Default, the Agent shall have, in addition to all other rights and remedies contained in this Agreement (which the Borrower, and, by becoming bound by the Obligations or this Agreement, all other obligors, guarantors and any new debtors accept and agree upon), the right to locate, disable or to take possession of the Collateral by electronic, digital, magnetic or wireless optical electromagnetic or similar means after giving any notices required under applicable Law.

29. **Waiver of Prejudgment Remedies**. EACH PARTY HERETO EXPRESSLY ACKNOWLEDGES THAT THIS AGREEMENT AND EACH TRANSACTION RELATED TO IT IS A "COMMERCIAL TRANSACTION" WITHIN THE MEANING OF CHAPTER 903a OF THE CONNECTICUT GENERAL STATUTES, AS AMENDED. BORROWER HEREBY VOLUNTARILY AND KNOWINGLY WAIVES ANY AND ALL RIGHTS WHICH ARE OR MAY BE CONFERRED UPON IT UNDER CHAPTER 903a OF SAID STATUTES (OR ANY OTHER FEDERAL OR STATE LAW AFFECTING PREJUDGMENT REMEDIES) TO ANY PRIOR NOTICE OR PRIOR HEARING OR PRIOR COURT ORDER OR THE POSTING OF A BOND PRIOR TO AGENT OBTAINING A PREJUDGMENT REMEDY. BORROWER ACKNOWLEDGES THAT IT HAS BEEN ADVISED BY COUNSEL OF ITS CHOICE OR HAS HAD THE OPPORTUNITY TO RETAIN COUNSEL OF ITS CHOICE WITH RESPECT TO THIS TRANSACTION AND THIS AGREEMENT.

30. **Counterparts; Electronic Delivery**. This Agreement may be executed in counterparts, each of which shall constitute an original, but all of which when taken together shall constitute a single contract. Any executed counterpart of this Agreement delivered by fax or as a PDF file contained in an e-mail transmission to the other parties hereto shall constitute an original counterpart of this Agreement.

31. **Amendment and Restatement.** This Agreement amends and restates the Original Security Agreement. Borrower hereby: (i) acknowledges and confirms that, pursuant to the Original Security Agreement, Borrower assigned, conveyed, mortgaged, pledged, hypothecated and transferred to Agent, and granted to Agent a continuing lien upon and first priority security interest in, all of Borrower's "Collateral" (as defined in the Original Security Agreement) as collateral security for the Obligations (as defined in the Original Security Agreement); (ii) reaffirms such assignment, conveyance, mortgage, pledge, hypothecation, transfer and grant of a security interest in such Collateral; and (iii) acknowledges and confirms that such Liens, and such assignment, conveyance, mortgage, pledge, hypothecation, transfer and grant of a security interest by such under the Original Security Agreement, are not impaired by the execution and delivery of this Agreement and the other Loan Documents, and shall continue without interruption to secure all Obligations now or hereafter outstanding.

[Signature page follows]

IN WITNESS WHEREOF, intending to be legally bound, the Borrower has caused this Amended and Restated Security Agreement to be duly executed as of the date first above written.

SHREC WAREHOUSE 1 LLC

By:______________________________
Name:
Title:
Duly Authorized

Accepted:

WEBSTER BANK, NATIONAL ASSOCIATION,
as Administrative Agent for the benefit of the Secured Parties

By:______________________________
Name:
Title:

AMENDED AND RESTATED COLLATERAL ASSIGNMENT OF MASTER PURCHASE AGREEMENTS AND OTHER LOAN DOCUMENTS

This Amended and Restated Collateral Assignment of Master Purchase Agreements and Other Loan Documents (this "Assignment") is made as of this [__] day of July, 2020, by **SHREC WAREHOUSE 1 LLC**, a Connecticut limited liability company, having an address at 845 Brook Street, Rocky Hill, Connecticut 06067 ("Borrower"), and **CONNECTICUT GREEN BANK**, a quasi-public agency of the State of Connecticut, having an address at 845 Brook Street, Rocky Hill, Connecticut 06067 ("Guarantor" and together with Borrower, individually and collectively in each instance where used unless otherwise specified with "the applicable" or "such", the "Assignor"), to **WEBSTER BANK, NATIONAL ASSOCIATION,** a national banking association having an address at 157 Church Street, 20^{th} Floor, New Haven, Connecticut 06510, in its capacity as Administrative Agent for the ratable benefit of the Secured Parties (in such capacity, the "Assignee").

BACKGROUND

1. Reference is made to that certain Credit Agreement dated as of July 31, 2019 by and among Borrower, the Lenders from time to time party thereto, Webster Bank, National Association, as Administrative Agent, and Liberty Bank, as Lead Arranger, as amended by that certain First Amendment to Credit Agreement and Other Loan Documents dated as of the date hereof (as the same has been or hereafter may be amended, restated, amended and restated, extended, supplemented or otherwise modified from time to time, the "Credit Agreement"), pursuant to which the Lenders have agreed to make a loan to Borrower in the aggregate principal amount of up to Ten Million and 00/100 Dollars ($10,000,000.00), together with any Incremental Facilities implemented in connection with the $4,000,000 uncommitted accordion feature under the Credit Agreement (amended, restated, amended and restated, extended, increased, supplemented or otherwise modified from time to time, the "Loan"), as provided therein.

2. Guarantor guaranteed the Obligations of Borrower under the Loan Documents pursuant to that certain Guaranty Agreement dated as of July 31, 2019, made by Guarantor in favor of Administrative Agent (as amended, restated, amended and restated, supplemented or otherwise modified from time to time, the "Guaranty Agreement").

3. Reference is made to: (i) that certain Master Purchase Agreement for the Purchase and Sale of Solar Home Renewable Energy Credits dated as of February 7, 2017, between The United Illuminating Company and Guarantor, as amended by that certain First Amendment to Master Purchase Agreement dated as of July 30, 2018, as further amended by that certain Second Amendment to Master Purchase Agreement dated as of April 1, 2020, and together with all Tranche Confirmations executed in connection therewith, as the same have been or hereafter may be amended, restated, amended and restated, supplemented or otherwise modified from time to time in accordance with the terms of this Assignment and the other Loan Documents (the "UI MPA"), and (ii) that certain Master Purchase Agreement for the Purchase and Sale of Solar Home Renewable Energy Credits dated as of February 7, 2017, between The Connecticut Light and Power Company dba Eversource Energy and Guarantor, as amended by that certain First Amendment to Master Purchase Agreement dated as of July 30, 2018, as further amended by that certain Second Amendment to Master Purchase Agreement dated as of April 1, 2020, and together with all Tranche Confirmations executed in connection therewith, as the same have been or hereafter may be amended, restated, amended and restated, supplemented or otherwise modified from time to time in accordance with the terms of this Assignment and the other Loan Documents (the "Eversource MPA" and together with the UI MPA, collectively, the "MPAs" and each, a "MPA").

4. Borrower, Guarantor and Assignee entered into that certain Collateral Assignment of Master Purchase Agreements and Other Loan Documents dated as of July 31, 2019 (the "Original Assignment") and the Borrower, Guarantor and Assignee have agreed to amend and restate the terms of the Original Assignment pursuant to the terms and conditions in this Assignment.

5. As a condition to continuing to make the Loan available to Borrower, the Lenders have required a collateral assignment of, and a security interest in, all of the Assignor's right, title and interest in and to all of the following, as additional security for the complete payment and full performance of the Obligations: (i) all rights and obligations of Assignor under and in connection with UI MPA, as assigned to Borrower pursuant to that certain Sale and Contribution Agreement (Tranche 4) dated as of [__________], by and between Guarantor and Borrower (as the same has been or hereafter may be amended, restated, amended and restated, supplemented or otherwise modified from time to time in accordance with the terms of this Assignment and the other Loan Documents, the "SCA"), in each case as such rights and obligations relate to or derive from the Collateralized Tranche, together with all Tranche Confirmations for the Collateralized Tranche (as the same have been or hereafter may be amended, restated, amended and restated, supplemented or otherwise modified from time to time in accordance with the terms of this Assignment and the other Loan Documents, the "Assigned UI MPA"), and (ii) all rights and obligations of Assignor under and in connection with Eversource MPA, as assigned to Borrower pursuant to the SCA, in each case as such rights and obligations relate to or derive from the Collateralized Tranche, together with all Tranche Confirmations for the Collateralized Tranche (as the same have been or hereafter may be amended, restated, amended and restated, supplemented or otherwise modified from time to time in accordance with the terms of this Assignment and the other Loan Documents, the "Assigned Eversource MPA").

6. As a condition to continuing to make the Loan available to Borrower, the Lenders have required a collateral assignment of, and a security interest in, all of Borrower's right, title and interest in and to (i) the SCA, and (ii) any security interest and Lien created by, under or in connection with the SCA (the "SCA Lien"), as additional security for the complete payment and full performance of the Obligations.

7. The Assigned UI MPA, the Assigned Eversource MPA and the SCA are referred to herein, collectively, as the "Assigned Contracts".

NOW, THEREFORE, in consideration of the foregoing, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Assignor does hereby agree as follows:

AGREEMENTS:

1. Collateral Assignment of the Assigned Contracts. As security for the due and punctual payment and performance of all of the Obligations, (i) the Assignor hereby assigns, transfers, delivers, grants a security interest in and sets over unto the Assignee, for the ratable benefit of the Secured Parties, all of the Assignor's right, title and interest in and to the Assigned UI MPA and the Assigned Eversource MPA, whether now existing or hereinafter acquired or arising, and (ii) Borrower hereby assigns, transfers, delivers, grants a security interest in and sets over unto the Assignee, for the ratable benefit of the Secured Parties, all of Borrower's right, title and interest in and to the SCA Lien, whether now existing or hereinafter acquired or arising.

2. Term. This Assignment shall remain in full force and effect until the Obligations have been fully performed and indefeasibly paid in full.

3. Representations, Warranties, Covenants and Agreements of the Assignor. The Assignor represents and warrants to the Assignee (which representations and warranties shall remain true and correct throughout the term of this Assignment), and covenants and agrees with the Assignee as follows:

a. each of the MPAs is validly issued, binding and in full force and effect, has not been modified, amended or assigned other than pursuant to this Assignment (or, with respect to rights and obligations solely relating to, or deriving from, the Securitized Tranches, pursuant to the Securitization Documents), and is not subject to any unexpired appeal periods or any challenges or claims by any Person (legal or otherwise) which have not been conclusively resolved in favor of the Assignor;

b. the SCA is validly issued, binding and in full force and effect, has not been modified, amended or assigned other than pursuant to this Assignment, and is not subject to any unexpired appeal periods or any challenges or claims by any Person (legal or otherwise) which have not been conclusively resolved in favor of the Assignor (or Borrower, if such challenges or claims were made by Guarantor);

c. Borrower is and shall be the sole holder, beneficiary and owner of the Assigned Contracts being assigned hereunder;

d. the Assigned UI MPA and the Assigned Eversource MPA are the only agreements between the Assignor and the Utilities relating to the purchase and sale of SHRECs relating to or deriving from the Collateralized Tranche;

e. there are no existing defaults by the Assignor nor any other party to or under any of the MPAs and/or the SCA (each, an "Other Contract Party") and there exists no state of facts, which with the giving of notice or the passage of time, or both, would constitute such a default;

f. there is no action, proceeding or legislation pending, and neither the Assignor nor any of its Affiliates has received any written notice of any action, proceeding or legislation threatened, to revoke, repeal, suspend, terminate, modify, restrict, limit or withdraw any MPA and/or the SCA;

g. neither the Assignor nor any of its Affiliates has executed or granted, and the Assignor will not execute or grant (or permit any of its Affiliates to execute or grant) any modification, extension or waiver whatsoever with respect to any of the MPAs and/or the SCA without (i) the prior written consent of the Assignee and (ii) complying with all terms and conditions in the Credit Agreement and the other Loan Documents;

h. the Assignor has not executed any prior assignment of or granted any other security interest or Lien in or to any of the Assigned Contracts, nor has the Assignor performed any other act or executed any other instrument which might prevent the Assignee from exercising its rights with respect to the Assigned Contracts as set forth under the term of this Assignment (it being acknowledged and agreed that Guarantor previously assigned the Securitized Tranches and the rights and obligations of Guarantor under the MPAs relating to or deriving from the Securitized Tranches pursuant to the Securitization Documents);

i. all payments required to be made by the Assignor or any of its Affiliates under each of the MPAs have been made in full and the Assignor shall continue (and cause each of its Affiliates to continue) to make all payments necessary to maintain the effectiveness and validity of the MPAs;

j. Assignor shall (and shall cause each of its Affiliates to) at all times comply with all of the covenants, obligations and agreements under the MPAs and, subject to Section 25, the SCA (including, subject to Section 25, the obligation to pay all sums as and when due thereunder);

k. no portion of the SHRECs generated under the Collateralized Tranche or the Assigned Contracts have been or will be sold, transferred, assigned or acquired by, or are subject to any Lien in favor of, any Securitized Tranche SPV or any other Person;

l. no portion of the SHRECs generated under the Collateralized Tranche constitute SHRECs generated by SHREC Projects included in the Securitized Tranches;

m. no portion of the SHRECs generated under the Collateralized Tranche or the Assigned Contracts are related assets of the Securitized Tranches; and

n. no portion of the SHRECs generated under, or the SHREC Projects listed in, the Collateralized Tranche are or will be listed on any schedule of SHRECs or SHREC Projects owned by any Securitized Tranche SPV or any other Person.

4. Certification. Without charge and within ten (10) days after any request therefore by the Assignee, the Assignor shall execute, acknowledge, and deliver to the Assignee its certification with respect to any or all of the MPAs and the SCA, which certification shall include a copy of the applicable MPA and the SCA and contain the following information:

a. the date of execution of each of the MPAs and the SCA or the anticipated date thereof, the effective date of each of the MPAs and the SCA (if a different date from the date of execution), and the respective amounts and payment dates of all sums due or to become due under each of the MPAs and the SCA;

b. a statement that each of the MPAs and the SCA is unmodified and in full force and effect; or, if there have been any modifications (which modifications shall not be effective unless made pursuant to the provisions of the Credit Agreement, this Assignment and the other Loan Documents), a statement that each of the MPAs and the SCA is in full force and effect as modified and stating the modifications and the dates thereof;

c. a statement, to the best of Assignor's knowledge, that there are no defenses against the enforcement of any of the terms or conditions of any of the MPAs or the SCA upon the part of any Other Contract Party thereto or the relevant issuer thereof; and

d. the date of expiration of the term of any MPA and the SCA.

5. Limitations on Right of the Assignor to Deal with the Assigned Contracts. The following are additional conditions of this Assignment and agreements of Assignor:

a. the Assignor shall not (and shall not permit any of its Affiliates to) amend, cancel, abridge, surrender, terminate, change, alter, revise, replace, rescind or otherwise modify any of the MPAs or the SCA or release any of the issuers thereof or parties thereto from liability thereunder, or withhold payment of charges with respect thereto (subject to Section 25), or make any assignment of their interest in, to or under any of the MPAs or the SCA, or consent to any assignment thereof, without the prior written consent of the Assignee (which consent shall be in Assignee's sole discretion), in each instance;

b. without the prior written consent of the Assignee (which consent shall be in the Assignee's sole discretion), and except solely with respect to the Securitized Tranches pursuant to the Securitization Documents, the Assignor shall not (and shall not permit any of its Affiliates to) (i) execute any other assignment of any of the Assigned Contracts, the MPAs or any Tranche created thereunder, or (ii) grant or suffer any Lien, charge, encumbrance or judgment, whether voluntary or involuntary, against all or any part of the interest of the Assignor in any of the Assigned Contracts (including, without limitation, the income streams thereunder and/or any security interests or Liens granted thereunder), the MPAs or any Tranche created thereunder;

c. the Assignor shall perform (and cause each of its Affiliates to perform) all of its and their respective covenants and agreements under each of the MPAs and, subject to Section 25, the SCA; the Assignor shall give prompt notice to the Assignee of any notice alleging the Assignor's or any of its Affiliates' default received from any issuer or from any other Person with respect to any MPA and the SCA and shall promptly furnish the Assignee with complete copies of said notice;

d. if requested by the Assignee, the Assignor shall enforce (and cause each of its Affiliates to enforce) each MPA and all rights and remedies available to the Assignor or any of its Affiliates against the issuer or party to any MPA in the event that the Assignee determines, in the Assignee's sole discretion, that any action taken by the issuer or party to any MPA threatens the validity or effectiveness thereof;

e. if requested by the Assignee, Borrower shall enforce (and cause each of its Affiliates to enforce) the SCA and all rights and remedies available to Borrower against the issuer or party to the SCA in the event that the Assignee determines, in the Assignee's sole discretion, that any action taken by the issuer or party to the SCA threatens the validity or effectiveness thereof; and

f. Assignor shall not, and Assignor shall not permit any Person to (i) notify or instruct any Utility that any payments due (or to become due) under any MPA with respect to the Collateralized Tranche should be paid or sent to any Person or place other than the MPA Collection Account, or (ii) take any action (or permit any Person to take any action) that would cause or have the effect of causing any payment due (or to become due) under any MPA with respect to the Collateralized Tranche to be paid or sent to any Person or place other than the MPA Collection Account.

6. Effect of Assignment. This Assignment constitutes the granting by the applicable Assignor of a security interest under the UCC of the right, title, and interest of such Assignor in and to the Assigned Contracts and the SCA Lien. In addition to and not in limitation of the other rights of the Assignee hereunder, in the event of any Event of Default, the Assignee shall have, with respect to the right, title and interest of the applicable Assignor in the Assigned Contracts and the SCA Lien, all of the rights of a secured party under the UCC. The Assignee shall give the applicable Assignor reasonable notice of the time and place of any public sale thereof or of the time after which any private sale or other intended dispositions thereof is to be made. The requirement of reasonable notice shall be met if such notice is mailed to the applicable Assignor at the mailing address of such Assignor set forth in Section 15 hereof, by certified mail, postage prepaid, return receipt requested, or nationally recognized overnight courier (e.g. FedEx), at least ten (10) days before the time of the sale or disposition.

7. Events of Default. Each of the following shall constitute an "Event of Default" hereunder:

a. Failure of Assignor to pay any principal or interest or other amount on account of the Guaranty Agreement or the Obligations as and when the same shall become due and payable plus any applicable notice and/or grace period, if any (whether on demand, at maturity or at a date fixed for any prepayment or installment or by declaration or acceleration or otherwise); or

b. The occurrence of a default or event of default under any of the Loan Documents beyond any applicable notice and/or grace period; or

c. Failure of Assignor to comply with any term or provision of this Assignment.

8. Rights of Assignee Upon Default. Upon the occurrence of any Event of Default and at any time thereafter (without in any way waiving such Event of Default), at the Assignee's option and without notice or demand of any kind, and without regard to the adequacy of security for the complete payment or performance of the Obligations, the Assignee may exercise any or all of the following remedies, either in person or by agent, with or without bringing any action or proceeding, or by a receiver appointed by a court:

a. declare all of the Obligations immediately due and payable;

b. exercise any and all rights, privileges and remedies granted by or permitted under, and enjoy all benefits of, the Assigned Contracts and the MPAs (as the MPAs relate to the Collateralized Tranche, including, without limitation, the Tranche Confirmations relating to the Collateralized Tranche) and otherwise exercise any and all rights, privileges and remedies assigned to the Assignee hereunder;

c. institute any legal or equitable action (in either or both of Assignor's name or the Assignee's name) which the Assignee, in its sole and absolute discretion, deems desirable to collect any income or proceeds from any of the Assigned Contracts or the MPAs (as the MPAs relate to the Collateralized Tranche, including, without limitation, the Tranche Confirmations relating to the Collateralized Tranche); and

d. exercise any other rights, privileges and remedies permitted to the Assignee under the Loan Documents, under applicable Law or in equity.

Any amounts advanced by the Assignee in connection with the Assigned Contracts or the MPAs and all costs and expenses, including, without limitation, attorneys' fees and expenses and court costs incurred in connection therewith, shall be a demand obligation, which, if not paid within ten (10) days after written notice thereof, shall bear interest at the highest rate provided in the Credit Agreement and shall be added to the Obligations and shall be secured hereby as fully and effectively and with the same priority as every other obligation of the Assignor secured hereby. Notwithstanding the foregoing or anything contained in this Assignment to the contrary, so long as there shall exist no Event of Default hereunder, (i) the Assignor shall have the right, subject to the terms and conditions of this Assignment and the Loan Documents, to exercise any and all rights and privileges granted by or permitted under, and enjoy all benefits of, the Assigned UI MPA and the Assigned Eversource MPA, and (ii) subject to Section 25, Borrower shall have the right, subject to the terms and conditions of this Assignment and the Loan Documents, to exercise any and all rights and privileges granted by or permitted under, and enjoy all benefits of, the SCA.

9. Effect of Notice. A written notice made upon the issuer of or any party to any Assigned Contract by the Assignee stating that an Event of Default exists hereunder and that the Assignee has succeeded to all of the Assignor's right, title and interest in and to such Assigned Contract shall be sufficient notice to such issuer or other party of such circumstances without the necessity for any consent by the Assignor. The Assignor hereby waives any claim whatsoever against any such issuer or contracting

party for any action taken by any such issuer or contracting party at the written request of Assignee pursuant to the terms of this Assignment.

10. Performance Upon Notice. Assignor hereby irrevocably directs any Governmental Authority or Other Contract Party as a party to, or the issuer of, any Assigned Contracts, upon receipt from Assignee of written notice to the effect that an Event of Default exists and is continuing, to (a) recognize Assignee as the contracting party, "seller", "purchaser", "licensee" or "indemnitee" (or similar designation) under the Assigned Contracts for any and all purposes as fully as it would recognize or accept the performance of Assignor thereunder, except that Assignee shall not be liable for any acts or omissions or defaults occurring or arising prior to such notice from Assignee of an Event of Default, and (b) to act in accordance with any and all instructions given by Assignee with respect to such Assigned Contracts. Assignor hereby authorizes and directs any Governmental Authority or Other Contract Party, to continue performance of such party's respective covenants and obligations under its respective Assigned Contracts upon Assignee's request therefor, and to continue so to do until otherwise notified by Assignee. Nothing contained in this Assignment shall obligate Assignee to perform any of the applicable Assignor's covenants or obligations under the Assigned Contracts or otherwise impose any obligations on Assignee or any Lender with respect thereto, until such time as Assignee gives notice of an Event of Default to a Governmental Authority or Other Contract Party and makes a request for continued performance in accordance with this Section 10 and assumes such responsibility in writing.

11. Liability. This Assignment shall not operate to place responsibility upon the Assignee for the carrying out of any of the terms and conditions of any of the Assigned Contracts unless such responsibility is specifically assumed by the Assignee in writing as set forth in Section 10; nor shall it operate to make the Assignee responsible or liable for any dangerous or defective condition of or relating to the SHREC Projects, or for any negligence in the management, upkeep, repair or control of the SHREC Projects resulting in loss, injury or death to any licensee, employee or any other Person, whether or not such Person is connected with the SHREC Projects. Nothing herein contained shall be construed to bind the Assignee to the performance of any of the terms and provisions contained in any of the Assigned Contracts or the MPAs, or to otherwise impose any obligation whatsoever on the Assignee.

12. Application of Proceeds. Any amounts collected by the Assignee hereunder shall be applied by the Assignee, without marshalling of assets, toward payment of the Obligations in such order as the Assignee, in its sole and absolute discretion, shall determine, subject to Section 8.03 of the Credit Agreement.

13. Indemnification. The Assignor shall and hereby agrees to indemnify and hold the Assignee and the other Secured Parties harmless from and against all obligations, liabilities, losses, costs, claims, expenses, fines, penalties and damages (including, without limitation, attorneys' fees and expenses and court costs) which the Assignee may incur (a) by reason of this Assignment, including, without limitation, the exercise of any right or remedy hereunder; (b) in connection with any of the Assigned Contracts and/or the MPAs (including, without limitation, all claims and demands which may be asserted against the Assignee by reason of any alleged obligation or undertaking on its part to perform or discharge any of the terms, covenants or agreements contained in any Assigned Contract or the MPAs); (c) with regard to the SHREC Projects; and (d) if any SHRECs generated under the Collateralized Tranche, or the Assigned UI MPA or Assigned Eversource MPA, have been or are sold, transferred, assigned or acquired, or are or become subject to a security interest or Lien in favor of, any Securitized Tranche SPV or any other Person.

The Assignor shall defend the Assignee against any claim or litigation involving the Assignee for the same, with counsel approved by the Assignee, and should the Assignee incur any such obligation, liability, loss, cost, expense, fine, penalty or damage, then the Assignor shall reimburse the Assignee for such amounts upon demand, and upon the failure of the Assignor to do so, the Assignee may, at its option, declare the entire Obligations immediately due and payable. Notwithstanding anything to the contrary contained herein, the Assignee shall have the option, exercisable upon written notice to the Assignor, of conducting its own defense with counsel of the Assignee's selection, provided that the reasonable expenses thereof shall be paid by the Assignor.

The foregoing indemnification shall also include all costs incurred by the Assignee in connection with the enforcement of said indemnification upon any default thereunder. Any amounts owed to the Assignee under this Section 13 shall bear interest at the highest rate provided in the Credit Agreement and shall be added to the Obligations and shall be secured hereby as fully and effectively and with the same priority as every other obligation of the Assignor secured hereby.

14. Successors and Assigns. This Assignment shall be binding on and inure to the benefit of (a) the Assignor and the Assignor's permitted successors and assigns, and (b) the Assignee, any other person or entity who may now or hereafter hold any interest in the Loan and their respective successors and assigns. Notwithstanding the foregoing, the Assignor shall not assign or otherwise transfer this Assignment or any of its rights or obligations hereunder without the express written consent of the Assignee, in each instance, which consent may be withheld in the Assignee's sole and absolute discretion.

15. Notices.

a. Assignor will promptly give notice in writing to Assignee of the occurrence of any event which constitutes or which with notice or lapse of time, or both, would constitute an Event of Default under this Assignment.

b. All notices, demands, requests and other communications required hereunder shall be in writing and shall be deemed to have been properly given if personally delivered or sent by a national overnight courier service for next business day delivery or by United States certified or registered mail, return receipt requested, postage prepaid, addressed to the party for whom it is intended at its address hereinafter set forth:

If to Assignor:
SHREC Warehouse 1 LLC
845 Brook Street
Rocky Hill, CT 06067
Attention: Brian Farnen, Esq., General Counsel

and

Connecticut Green Bank
845 Brook Street
Rocky Hill, CT 06067
Attention: Brian Farnen, Esq., General Counsel

with a copy to:
Pullman & Comley LLC
90 State House Square
Hartford, CT 06103
Attention: Andrew C. Glassman, Esq.

If to Assignee:

Webster Bank, National Association
157 Church Street, 20th Floor
New Haven, CT 06510
Attention: Michele Lynch

with a copy to:
Shipman & Goodwin LLP
One Constitution Plaza
Hartford, CT 06103
Attention: James C. Schulwolf, Esq.

Notice shall be deemed given upon receipt. Any party may designate a change of address by written notice to the others given at least ten (10) days before such change of address is to become effective.

16. Captions and Headings. The captions and headings set forth in this Assignment are included for convenience and reference only and the words contained therein shall in no way be held or deemed to define, limit, describe, explain, modify, amplify or add to the interpretation, construction or meaning of, or the scope or intent of, this Assignment or any part hereof.

17. Amendments, Waivers and Modifications. This Assignment and the other Loan Documents set forth the entire agreement of the Assignor and the Assignee with respect to the subject matter hereof and none of the terms, conditions, covenants, warranties or representations set forth in this Assignment may be renewed, replaced, amended, modified, extended, substituted, revised, waived, consolidated or terminated except as set forth in Section 10.01 of the Credit Agreement. The provisions of this Assignment shall extend and be applicable to all renewals, replacements, amendments, amendments and restatements, extensions, substitutions, consolidations and modifications of the Loan Documents, the Assigned Contracts and the MPAs; and all references herein to the Loan Documents, the Assigned Contracts or the MPAs shall be deemed to include any such renewals, replacements, amendments, amendments and restatements, extensions, substitutions, consolidations or modifications thereof.

Notwithstanding the foregoing, any reference contained herein, whether express or implied, to any renewal, replacement, amendment, amendment and restatement, extension, substitution, revision, consolidation or modification of any of the Loan Documents, of any Assigned Contract or of any MPA is not intended to constitute an agreement or consent by the Lender to any such renewal, replacement, amendment, amendment and restatement, extension, substitution, revision, consolidation or modification; but, rather as a reference only to those instances where the Lender may give consent to any such renewal, replacement, amendment, amendment and restatement, extension, substitution, revision, consolidation or modification, as the same may be required pursuant to the terms, covenants or conditions of any of the Loan Documents.

18. Invalidity. If any provision of this Assignment or the application thereof to any person or circumstance, for any reason and to any extent, shall be held to be invalid or unenforceable, neither the remainder of this Assignment nor the application of such provision to any other person or circumstance shall be affected thereby, but rather the same shall be enforced to the greatest extent permitted by Law.

19. Covenant of the Assignee. Upon full payment and performance of the Obligations, this Assignment shall be deemed terminated and released by the Assignee without further action and shall thereupon be of no further force or effect.

20. Definitions; Rules of Construction. Unless expressly otherwise defined herein, all capitalized terms shall have the same meanings ascribed thereto in the Credit Agreement. The rules of

interpretation set forth in Section 1.02 of the Credit Agreement shall govern and apply to all terms in this Assignment. References in this Assignment to "herein", "hereof" and "hereunder" shall be deemed to refer to this Assignment and shall not be limited to the particular text or section in which such words appear. The use of any gender shall include all genders and the singular number shall include the plural and vice versa as the context may require. References in this Assignment to the Assignee's attorneys shall be deemed to include, without limitation, special counsel and local counsel for the Assignee.

21. PJR Waiver. THE ASSIGNOR EXPRESSLY ACKNOWLEDGES THAT THIS ASSIGNMENT AND EACH TRANSACTION RELATED TO IT IS A "COMMERCIAL TRANSACTION" WITHIN THE MEANING OF CHAPTER 903a OF THE CONNECTICUT GENERAL STATUTES, AS AMENDED. THE ASSIGNOR HEREBY VOLUNTARILY AND KNOWINGLY WAIVES ANY AND ALL RIGHTS WHICH ARE OR MAY BE CONFERRED UPON IT UNDER CHAPTER 903a OF SAID STATUTES (OR ANY OTHER FEDERAL OR STATE LAW AFFECTING PREJUDGMENT REMEDIES) TO ANY PRIOR NOTICE OR PRIOR HEARING OR PRIOR COURT ORDER OR THE POSTING OF A BOND PRIOR TO ASSIGNEE OBTAINING A PREJUDGMENT REMEDY. ASSIGNOR ACKNOWLEDGES THAT IT HAS BEEN ADVISED BY COUNSEL OF ITS CHOICE OR HAS HAD THE OPPORTUNITY TO RETAIN COUNSEL OF ITS CHOICE WITH RESPECT TO THIS TRANSACTION AND THIS ASSIGNMENT.

22. GOVERNING LAW; JURISDICTION; WAIVER OF JURY TRIAL ETC.

(a) GOVERNING LAW. THIS ASSIGNMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF CONNECTICUT.

(b) SUBMISSION TO JURISDICTION. ASSIGNOR IRREVOCABLY AND UNCONDITIONALLY SUBMITS, FOR ITSELF AND ITS PROPERTY, TO THE NONEXCLUSIVE JURISDICTION OF THE COURTS OF THE STATE OF CONNECTICUT SITTING IN HARTFORD COUNTY AND OF THE UNITED STATES DISTRICT COURT OF CONNECTICUT, AND ANY APPELLATE COURT FROM ANY THEREOF, IN ANY ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS ASSIGNMENT OR ANY OTHER LOAN DOCUMENT, OR FOR RECOGNITION OR ENFORCEMENT OF ANY JUDGMENT, AND ASSIGNOR IRREVOCABLY AND UNCONDITIONALLY AGREES THAT ALL CLAIMS IN RESPECT OF ANY SUCH ACTION OR PROCEEDING MAY BE HEARD AND DETERMINED IN SUCH CONNECTICUT STATE COURT OR, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, IN SUCH FEDERAL COURT. ASSIGNOR AGREES THAT A FINAL JUDGMENT IN ANY SUCH ACTION OR PROCEEDING SHALL BE CONCLUSIVE AND MAY BE ENFORCED IN OTHER JURISDICTIONS BY SUIT ON THE JUDGMENT OR IN ANY OTHER MANNER PROVIDED BY LAW. NOTHING IN THIS ASSIGNMENT OR IN ANY OTHER LOAN DOCUMENT SHALL AFFECT ANY RIGHT THAT ASSIGNEE OR ANY LENDER MAY OTHERWISE HAVE TO BRING ANY ACTION OR PROCEEDING RELATING TO THIS ASSIGNMENT OR ANY OTHER LOAN DOCUMENT AGAINST ASSIGNOR OR ITS PROPERTIES IN THE COURTS OF ANY JURISDICTION.

(c) WAIVER OF VENUE. ASSIGNOR IRREVOCABLY AND UNCONDITIONALLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY OBJECTION THAT IT MAY NOW OR HEREAFTER HAVE TO THE LAYING OF VENUE OF ANY ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS ASSIGNMENT OR ANY OTHER LOAN DOCUMENT IN ANY COURT REFERRED TO IN PARAGRAPH (B) OF THIS SECTION. ASSIGNOR HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, THE DEFENSE OF AN INCONVENIENT FORUM TO THE MAINTENANCE OF SUCH ACTION OR PROCEEDING IN ANY SUCH COURT.

(d) SERVICE OF PROCESS. ASSIGNOR IRREVOCABLY CONSENTS TO SERVICE OF PROCESS IN THE MANNER PROVIDED FOR NOTICES IN SECTION 15. NOTHING IN THIS ASSIGNMENT WILL AFFECT THE RIGHT OF ASSIGNEE TO SERVE PROCESS IN ANY OTHER MANNER PERMITTED BY APPLICABLE LAW.

(e) WAIVER OF JURY TRIAL. ASSIGNOR HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS ASSIGNMENT OR ANY OTHER LOAN DOCUMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY). ASSIGNOR (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PERSON HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PERSON WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS ASSIGNMENT AND THE OTHER LOAN DOCUMENTS BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION.

23. Counterparts; Facsimile. This Assignment may be executed in counterparts, each of which shall constitute an original, but all of which when taken together shall constitute a single Assignment. Any executed counterpart of this Assignment delivered by fax or as a PDF file contained in an e-mail transmission to the other parties hereto shall constitute an original counterpart of this Assignment.

24. Connecticut General Statutes 16-245n(h). The Assignee and the Lenders shall have the benefit of the State of Connecticut's pledge and agreement contained in Connecticut General Statutes Section 16-245n(h) which states: "(1) The state of Connecticut does hereby pledge to and agree with any person with whom the Connecticut Green Bank may enter into contracts pursuant to the provisions of this section that the state will not limit or alter the rights hereby vested in said bank until such contracts and the obligations thereunder are fully met and performed on the part of said bank, provided nothing herein contained shall preclude such limitation or alteration if adequate provision shall be made by law for the protection of such persons entering into contracts with said bank. The pledge provided by this subsection shall be interpreted and applied broadly to effectuate and maintain the bank's financial capacity to perform its essential public and governmental function. (2) The contracts and obligations thereunder of said bank shall be obligatory upon the bank, and the bank may appropriate in each year during the term of such contracts an amount of money that, together with other funds of the bank available for such purposes, shall be sufficient to pay such contracts and obligations or meet any contractual covenants or warranties."

25. Subordination of Certain Borrower Debt.

(a) To the extent any Indebtedness is owed by Borrower to Guarantor under the SCA, whether now existing or hereafter created (the "Subordinated Debt"), such Subordinated Debt is expressly subordinated and made junior to the payment of all of the Obligations. Notwithstanding the foregoing, Guarantor may receive payments on the Purchase Price (as defined in the SCA), until a Default or an Event of Default has occurred. After the occurrence of a Default or an Event of Default, Guarantor shall not receive, retain or accept (and Borrower shall not make) any payment in respect of the Subordinated Debt (whether by way of advance, loan, set off or otherwise) until (i) the Obligations have been indefeasibly paid and performed in full ("Payment in Full" or "Paid in Full") and (ii) Assignee notifies Guarantor in writing that Guarantor's receipt of such payments is no longer suspended.

(b) If, notwithstanding the provisions of this Assignment, any payment or distribution of any character (whether in cash, securities or other property) or any collateral or other security shall be received by Guarantor in contravention of the terms of this Assignment and before Payment in Full, such payment, distribution, collateral or other security shall not be commingled with any asset of Guarantor, shall be held in trust for the benefit of, and shall be paid over or delivered and transferred to Assignee (with any necessary endorsements), or its representative, for application to the payment of all Obligations, until Payment in Full.

(c) Notwithstanding any statute, including, without limitation, the Bankruptcy Code of the United States, any rule of law, bankruptcy procedures or other Debtor Relief Law to the contrary, the right of Assignee and Lenders hereunder to receive Payment in Full prior to the payment of any of the Subordinated Debt shall include, without limitation, the right of Assignee and Lenders to be paid in full for all interest accruing on the Obligations after the filing of any petition by or against Assignor in connection with any proceeding under any Debtor Relief Law.

(d) If Guarantor has or acquires any security interests or Liens of any kind against Borrower's property (which Guarantor acknowledges and agrees would be in violation of this Assignment), until such security interests and Liens are released, discharged and terminated, such security interests and Liens shall be subordinate and subject to Administrative Agent's and each Lender's security interests and Liens against Borrower's property arising from or out of the Obligations, regardless of (i) the order, date or time as of which any such security interests or Liens are granted or attach, (ii) the order, date or time of Uniform Commercial Code filings or any other filings or recordings, (iii) the order, date or time of granting of any such security interests or Liens, (iv) the physical possession of Borrower's property, or (v) the method or manner of the grant, attachment or perfection of (or any defect or deficiencies in, or failure to attach or perfect) any such security interests or Liens in or to Borrower's property).

(e) Prior to Payment in Full, Guarantor shall not, without the prior written consent of Assignee (which consent shall be in Assignee's sole discretion), do any of the following: (i) accelerate the maturity or demand payment of all or any portion of the Subordinated Debt; (ii) take any action towards collection of all or any portion of the Subordinated Debt; (iii) enforce any rights or remedies of Guarantor with respect to the Subordinated Debt and/or under the SCA and/or at law and/or in equity; (iv) foreclose upon, take possession of or attempt to realize on any collateral or other security given for the Subordinated Debt (which Guarantor acknowledges and agrees would be a violation of this Assignment); (v) contest, protest or object to any action taken by Assignee or make any assertion, claim, or argument in any action, suit or proceeding in any way challenging the priority, validity or effectiveness of the Liens and security interests granted to Assignee hereunder or under the other Loan Documents; or (vi) obtain any security interest in or Liens upon Borrower's existing or hereafter acquired real or personal property. In the event Guarantor shall, despite the provisions of this Section 25 obtain any such security interest or Lien, then, without any further action, any such security interest or Lien shall be deemed assigned to Assignee as collateral for the Obligations.

26. Subordination of SCA Lien. It is acknowledged and agreed that the SCA Lien (which has been assigned to Assignee hereunder) shall be subordinate and subject to all of Administrative Agent's and each Lender's other security interests and Liens against Borrower's property arising from or out of the Obligations, regardless of (i) the order, date or time as of which any such security interests or Liens are granted or attach, (ii) the order, date or time of Uniform Commercial Code filings or any other filings or recordings, (iii) the order, date or time of granting of any such security interests or Liens, (iv) the physical possession of Borrower's property, or (v) the method or manner of the grant, attachment or perfection of (or any defect or deficiencies in, or failure to attach or perfect) any such security interests or Liens in or to Borrower's property).

27. Amendment and Restatement. This Assignment amends and restates the Original Assignment in its entirety.

[Signature page follows]

IN WITNESS WHEREOF, the Assignor has duly executed this Amended and Restated Assignment of Master Purchase Agreements as a sealed instrument as of the day and year first above written.

SIGNED, SEALED AND DELIVERED
IN THE PRESENCE OF:

SHREC WAREHOUSE 1 LLC

____
Name:

By:________________________________
Name:
Title:
Duly Authorized

____
Name:

STATE OF CONNECTICUT)
) ss: ________________
COUNTY OF HARTFORD)

Before me, the undersigned officer, this ______ day of _____________, 2020, personally appeared ________________________________, who acknowledged himself to be the __________________________ of SHREC WAREHOUSE 1 LLC, a [member managed / manager managed] Connecticut limited liability company, and that he, as such ________________________________, being authorized so to do, executed the foregoing instrument for the purposes therein contained, by signing the name of the limited liability company by himself as __________________________________, and acknowledged such execution to be his free act and deed individually and as such ______________________, the free act and deed of such limited liability company.

____
Name:
Commissioner of the Superior Court or
Notary Public
My Commission Expires: _____________

SIGNED, SEALED AND DELIVERED
IN THE PRESENCE OF:

CONNECTICUT GREEN BANK

____
Name:

____
Name:

By:______________________________________
Name:
Title:
Duly Authorized

STATE OF CONNECTICUT)
) ss: ________________
COUNTY OF HARTFORD)

Before me, the undersigned officer, this ______ day of _____________, 2020, personally appeared ________________________________, who acknowledged himself to be (and who is known to me (or satisfactorily proven) to be) the __________________________ of CONNECTICUT GREEN BANK, a quasi-public agency of the State of Connecticut, and that he as such _______________________________, signer and sealer of the foregoing instrument, being authorized so to do, executed the foregoing instrument for the purposes therein contained by signing the name of the quasi-public agency by himself as _____________, and acknowledged the execution of the same to be her/his free act and deed individually and as such ____________________ and the free act and deed of said _______________________.

____
Name:
Commissioner of the Superior Court or
Notary Public
My Commission Expires: ______________

ACKNOWLEDGED BY:

ASSIGNEE:

WEBSTER BANK, NATIONAL ASSOCIATION,
as Administrative Agent for the benefit of the Secured Parties

By:____________________________________
Name:
Title:

AMENDMENT TO

RULES COMMITTEE PRINT 116–54

OFFERED BY MRS. DINGELL OF MICHIGAN

Page 1547, after line 5, insert the following new chapter:

CHAPTER 10—CLEAN ENERGY AND SUSTAINABILITY ACCELERATOR

SEC. 33191. CLEAN ENERGY AND SUSTAINABILITY ACCELERATOR.

Title XVI of the Energy Policy Act of 2005 (Public Law 109–58, as amended) is amended by adding at the end the following new subtitle:

"Subtitle C—Clean Energy and Sustainability Accelerator

"SEC. 1621. DEFINITIONS.

"In this subtitle:

"(1) ACCELERATOR.—The term 'Accelerator' means the Clean Energy and Sustainability Accelerator established under section 1622.

"(2) BOARD.—The term 'Board' means the Board of Directors of the Accelerator.

"(3) CHIEF EXECUTIVE OFFICER.—The term 'chief executive officer' means the chief executive officer of the Accelerator.

"(4) CLIMATE-IMPACTED COMMUNITIES.—The term 'climate-impacted communities' includes—

"(A) communities of color, which include any geographically distinct area the population of color of which is higher than the average population of color of the State in which the community is located;

"(B) communities that are already or are likely to be the first communities to feel the direct negative effects of climate change;

"(C) distressed neighborhoods, demonstrated by indicators of need, including poverty, childhood obesity rates, academic failure, and rates of juvenile delinquency, adjudication, or incarceration;

"(D) low-income communities, defined as any census block group in which 30 percent or more of the population are individuals with low income;

"(E) low-income households, defined as a household with annual income equal to, or less than, the greater of—

"(i) an amount equal to 80 percent of the median income of the area in which the household is located, as reported by the Department of Housing and Urban Development; and

"(ii) 200 percent of the Federal poverty line; and

"(F) rural areas, which include any area other than—

"(i) a city or town that has a population of greater than 50,000 inhabitants; and

"(ii) any urbanized area contiguous and adjacent to a city or town described in clause (i).

"(5) CLIMATE RESILIENT INFRASTRUCTURE.—The term 'climate resilient infrastructure' means any project that builds or enhances infrastructure so that such infrastructure—

"(A) is planned, designed, and operated in a way that anticipates, prepares for, and adapts to changing climate conditions; and

"(B) can withstand, respond to, and recover rapidly from disruptions caused by these climate conditions.

"(6) ELECTRIFICATION.—The term 'electrification' means the installation, construction, or use of end-use electric technology that replaces existing fossil-fuel-based technology.

"(7) ENERGY EFFICIENCY.—The term 'energy efficiency' means any project, technology, function, or measure that results in the reduction of energy use required to achieve the same level of service or output prior to the application of such project, technology, function, or measure, or substantially reduces greenhouse gas emissions relative to emissions that would have occurred prior to the application of such project, technology, function, or measure.

"(8) FUEL SWITCHING.—The term 'fuel switching' means any project that replaces a fossil-fuel-based heating system with an electric-powered system or one powered by biomass-generated heat.

"(9) GREEN BANK.—The term 'green bank' means a dedicated public or nonprofit specialized finance entity that—

"(A) is designed to drive private capital into market gaps for low- and zero-emission goods and services;

"(B) uses finance tools to mitigate climate change;

"(C) does not take deposits;

"(D) is funded by government, public, private, or charitable contributions; and

"(E) invests or finances projects—

"(i) alone; or

"(ii) in conjunction with other investors.

"(10) QUALIFIED PROJECTS.—The terms 'qualified projects' means the following kinds of technologies and activities that are eligible for financing and investment from the Clean Energy and Sustainability Accelerator, either directly or through State and local green banks funded by the Clean Energy and Sustainability Accelerator:

"(A) Renewable energy generation, including the following:

"(i) Solar.

"(ii) Wind.

"(iii) Geothermal.

"(iv) Hydropower.

"(v) Ocean and hydrokinetic.

"(vi) Fuel cell.

"(B) Building energy efficiency, fuel switching, and electrification.

"(C) Industrial decarbonization.

"(D) Grid technology such as transmission, distribution, and storage to support clean energy distribution, including smart-grid applications.

"(E) Agriculture and forestry projects that reduce net greenhouse gas emissions.

"(F) Clean transportation, including the following:

"(i) Battery electric vehicles.

"(ii) Plug-in hybrid electric vehicles.

"(iii) Hydrogen vehicles.

"(iv) Other zero-emissions fueled vehicles.

"(v) Related vehicle charging and fueling infrastructure.

"(G) Climate resilient infrastructure.

"(H) Any other key areas identified by the Board as consistent with the mandate of the Accelerator as described in section 1623.

"(11) RENEWABLE ENERGY GENERATION.—The term 'renewable energy generation' means electricity created by sources that are continually replenished by nature, such as the sun, wind, and water.

"SEC. 1622. ESTABLISHMENT.

"(a) IN GENERAL.—Not later than 1 year after the date of enactment of this subtitle, there shall be established a nonprofit corporation to be known as the 'Clean Energy and Sustainability Accelerator'.

"(b) LIMITATION.—The Accelerator shall not be an agency or instrumentality of the Federal Government.

"(c) FULL FAITH AND CREDIT.—The full faith and credit of the United States shall not extend to the Accelerator.

"(d) NONPROFIT STATUS.—The Accelerator shall maintain its status as an organization exempt from taxation under the Internal Revenue Code of 1986 (26 U.S.C. 1 et seq.).

"SEC. 1623. MANDATE.

"The Accelerator shall make the United States a world leader in combating the causes and effects of climate change through the rapid deployment of mature technologies and scaling of new technologies by maximizing the reduction of emissions in the United States for every dollar deployed by the Accelerator, including by—

"(1) providing financing support for investments in the United States in low- and zero-emissions technologies and processes in order to rapidly accelerate market penetration;

"(2) catalyzing and mobilizing private capital through Federal investment and supporting a more robust marketplace for clean technologies, while avoiding competition with private investment;

"(3) enabling climate-impacted communities to benefit from and afford projects and investments that reduce emissions;

"(4) providing support for workers and communities impacted by the transition to a low-carbon economy;

"(5) supporting the creation of green banks within the United States where green banks do not exist; and

"(6) causing the rapid transition to a clean energy economy without raising energy costs to end users and seeking to lower costs where possible.

"SEC. 1624. FINANCE AND INVESTMENT DIVISION.

"(a) IN GENERAL.—There shall be within the Accelerator a finance and investment division, which shall be responsible for—

"(1) the Accelerator's greenhouse gas emissions mitigation efforts by directly financing qualifying projects or doing so indirectly by providing capital to State and local green banks;

"(2) originating, evaluating, underwriting, and closing the Accelerator's financing and investment transactions in qualified projects;

"(3) partnering with private capital providers and capital markets to attract coinvestment from private banks, investors, and others in order to drive new investment into underpenetrated markets, to increase the efficiency of private capital markets with respect to investing in greenhouse gas reduction projects, and to increase total investment caused by the Accelerator;

"(4) managing the Accelerator's portfolio of assets to ensure performance and monitor risk;

"(5) ensuring appropriate debt and risk mitigation products are offered; and

"(6) overseeing prudent, noncontrolling equity investments.

"(b) PRODUCTS AND INVESTMENT TYPES.—The finance and investment division of the Accelerator may provide capital to qualified projects in the form of—

"(1) senior, mezzanine, and subordinated debt;

"(2) credit enhancements including loan loss reserves and loan guarantees;

"(3) aggregation and warehousing;

"(4) equity capital; and

"(5) any other financial product approved by the Board.

"(c) STATE AND LOCAL GREEN BANK CAPITALIZATION.—The finance and investment division of the Accelerator shall make capital available to State and local green banks to enable such banks to finance qualifying projects in their markets that are better served by a locally based entity, rather than through direct investment by the Accelerator.

"(d) INVESTMENT COMMITTEE.—The debt, risk mitigation, and equity investments made by the Accelerator shall be—

"(1) approved by the investment committee of the Board; and

"(2) consistent with an investment policy that has been established by the investment committee of the Board in consultation with the risk management committee of the Board.

"SEC. 1625. START-UP DIVISION.

"There shall be within the Accelerator a Start-up Division, which shall be responsible for providing technical assistance and start-up funding to States and other political subdivisions that do not have green banks to establish green banks in those States and political subdivisions, including by working with relevant stakeholders in those States and political subdivisions.

"SEC. 1626. ZERO-EMISSIONS FLEET AND RELATED INFRASTRUCTURE FINANCING PROGRAM.

''Not later than 1 year after the date of establishment of the Accelerator, the Accelerator shall explore the establishment of a program to provide low- and zero-interest loans, up to 30 years in length, to any school, metropolitan planning organization, or nonprofit organization seeking financing for the acquisition of zero-emissions vehicle fleets or associated infrastructure to support zero-emissions vehicle fleets.

"SEC. 1627. PROJECT PRIORITIZATION AND REQUIREMENTS.

''(a) EMISSIONS REDUCTION MANDATE.—In investing in projects that mitigate greenhouse gas emissions, the Accelerator shall maximize the reduction of emissions in the United States for every dollar deployed by the Accelerator.

''(b) ENVIRONMENTAL JUSTICE PRIORITIZATION.—

''(1) IN GENERAL.—In order to address environmental justice needs, the Accelerator shall, as applicable, prioritize the provision of program benefits and investment activity that are expected to directly or indirectly result in the deployment of projects to serve, as a matter of official policy, climate-impacted communities.

"(2) MINIMUM PERCENTAGE.—The Accelerator shall ensure that over the 30-year period of its charter 20 percent of its investment activity is directed to serve climate-impacted communities.

"(c) CONSUMER PROTECTION.—

"(1) PRIORITIZATION.—Consistent with mandate under section 1623 to maximize the reduction of emissions in the United States for every dollar deployed by the Accelerator, the Accelerator shall prioritize qualified projects according to benefits conferred on consumers and affected communities.

"(2) CONSUMER CREDIT PROTECTION.—The Accelerator shall ensure that any residential energy efficiency or distributed clean energy project in which the Accelerator invests directly or indirectly complies with the requirements of the Consumer Credit Protection Act (15 U.S.C. 1601 et seq.), including, in the case of a financial product that is a residential mortgage loan, any requirements of title I of that Act relating to residential mortgage loans (including any regulations promulgated by the Bureau of Consumer Financial Protection under section 129C(b)(3)(C) of that Act (15 U.S.C. 1639c(b)(3)(C))).

"(d) LABOR.—

"(1) IN GENERAL.—The Accelerator shall ensure that laborers and mechanics employed by contractors and subcontractors in construction work financed directly by the Accelerator will be paid wages not less than those prevailing on similar construction in the locality, as determined by the Secretary of Labor under sections 3141 through 3144, 3146, and 3147 of title 40, United States Code.

"(2) PROJECT LABOR AGREEMENT.—The Accelerator shall ensure that projects financed directly by the Accelerator with total capital costs of $100,000,000 or greater utilize a project labor agreement.

"SEC. 1628. BOARD OF DIRECTORS.

"(a) IN GENERAL.—The Accelerator shall operate under the direction of a Board of Directors, which shall be composed of 7 members.

"(b) INITIAL COMPOSITION AND TERMS.—

"(1) SELECTION.—The initial members of the Board shall be selected as follows:

"(A) APPOINTED MEMBERS.—Three members shall be appointed by the President, with the advice and consent of the Senate, of whom no more than two shall belong to the same political party.

"(B) ELECTED MEMBERS.—Four members shall be elected unanimously by the 3 members appointed and confirmed pursuant to subparagraph (A).

"(2) TERMS.—The terms of the initial members of the Board shall be as follows:

"(A) The 3 members appointed and confirmed under paragraph (1)(A) shall have initial 5-year terms.

"(B) Of the 4 members elected under paragraph (1)(B), 2 shall have initial 3-year terms, and 2 shall have initial 4-year terms.

"(c) SUBSEQUENT COMPOSITION AND TERMS.—

"(1) SELECTION.—Except for the selection of the initial members of the Board for their initial terms under subsection (b), the members of the Board shall be elected by the members of the Board.

"(2) DISQUALIFICATION.—A member of the Board shall be disqualified from voting for any position on the Board for which such member is a candidate.

"(3) TERMS.—All members elected pursuant to paragraph (1) shall have a term of 5 years.

"(d) QUALIFICATIONS.—The members of the Board shall collectively have expertise in—

"(1) the fields of clean energy, electric utilities, industrial decarbonization, clean transportation, resiliency, and agriculture and forestry practices;

"(2) climate change science;

"(3) finance and investments; and

"(4) environmental justice and matters related to the energy and environmental needs of climate-impacted communities.

"(e) RESTRICTION ON MEMBERSHIP.—No officer or employee of the Federal or any other level of government may be appointed or elected as a member of the Board.

"(f) QUORUM.—Five members of the Board shall constitute a quorum.

"(g) BYLAWS.—

"(1) IN GENERAL.—The Board shall adopt, and may amend, such bylaws as are necessary for the proper management and functioning of the Accelerator.

"(2) OFFICERS.—In the bylaws described in paragraph (1), the Board shall—

"(A) designate the officers of the Accelerator; and

"(B) prescribe the duties of those officers.

"(h) VACANCIES.—Any vacancy on the Board shall be filled through election by the Board.

"(i) INTERIM APPOINTMENTS.—A member elected to fill a vacancy occurring before the expiration of the term for which the predecessor of that member was appointed or elected shall serve for the remainder of the term for which the predecessor of that member was appointed or elected.

"(j) REAPPOINTMENT.—A member of the Board may be elected for not more than 1 additional term of service as a member of the Board.

"(k) CONTINUATION OF SERVICE.—A member of the Board whose term has expired may continue to serve on the Board until the date on which a successor member is elected.

"(l) CHIEF EXECUTIVE OFFICER.—The Board shall appoint a chief executive officer who shall be responsible for—

"(1) hiring employees of the Accelerator;

"(2) establishing the 2 divisions of the Accelerator described in sections 1624 and 1625; and

"(3) performing any other tasks necessary for the day-to-day operations of the Accelerator.

"(m) ADVISORY COMMITTEE.—

"(1) ESTABLISHMENT.—The Accelerator shall establish an advisory committee (in this subsection referred to as the 'advisory committee'), which shall be composed of not more than 13 members appointed by the Board on the recommendation of the president of the Accelerator.

"(2) MEMBERS.—Members of the advisory committee shall be broadly representative of interests concerned with the environment, production, commerce, finance, agriculture, forestry, labor, services, and State Government. Of such members—

"(A) not fewer than 3 shall be representatives of the small business community;

"(B) not fewer than 2 shall be representatives of the labor community, except that no 2 members may be from the same labor union;

"(C) not fewer than 2 shall be representatives of the environmental nongovernmental organization community, except that no 2 members may be from the same environmental organization;

"(D) not fewer than 2 shall be representatives of the environmental justice nongovernmental organization community, except that no 2 members may be from the same environmental organization;

"(E) not fewer than 2 shall be representatives of the consumer protection and fair lending community, except that no 2 members may be from the same consumer protection or fair lending organization; and

"(F) not fewer than 2 shall be representatives of the financial services industry with knowledge of and experience in financing transactions for clean energy and other sustainable infrastructure assets.

"(3) MEETINGS.—The advisory committee shall meet not less frequently than once each quarter.

"(4) DUTIES.—The advisory committee shall—

"(A) advise the Accelerator on the programs undertaken by the Accelerator; and

"(B) submit to the Congress an annual report with comments from the advisory committee on the extent to which the Accelerator is meeting the mandate described in section 1623, including any suggestions for improvement.

"(n) CHIEF RISK OFFICER.—

"(1) APPOINTMENT.—Subject to the approval of the Board, the chief executive officer shall appoint a chief risk officer from among individuals with experience at a senior level in financial risk management, who—

"(A) shall report directly to the Board; and

"(B) shall be removable only by a majority vote of the Board.

"(2) DUTIES.—The chief risk officer, in coordination with the risk management and audit committees established under section 1631, shall develop, implement, and manage a comprehensive process for identifying, assessing, monitoring, and limiting risks to the Accelerator, including the overall portfolio diversification of the Accelerator.

"SEC. 1629. ADMINISTRATION.

"(a) CAPITALIZATION.—

"(1) IN GENERAL.—To the extent and in the amounts provided in advance in appropriations Acts, the Secretary of Energy shall transfer to the Accelerator—

"(A) $10,000,000,000 on the date on which the Accelerator is established under section 1622; and

"(B) $2,000,000,000 on October 1 of each of the 5 fiscal years following that date.

"(2) AUTHORIZATION OF APPROPRIATIONS.—For purposes of the transfers under paragraph (1), there are authorized to be appropriated—

"(A) $10,000,000,000 for the fiscal year in which the Accelerator is established under section 1622; and

"(B) $2,000,000,000 for each of the 5 succeeding fiscal years.

"(b) CHARTER.—The Accelerator shall establish a charter, the term of which shall be 30 years.

"(c) OPERATIONAL FUNDS.—To sustain operations, the Accelerator shall manage revenue from financing fees, interest, repaid loans, and other types of funding.

"(d) REPORT.—The Accelerator shall submit on a quarterly basis to the relevant committees of Congress a report that describes the financial activities, emissions reductions, and private capital mobilization metrics of the Accelerator for the previous quarter.

"(e) RESTRICTION.—The Accelerator shall not accept deposits.

"(f) COMMITTEES.—The Board shall establish committees and subcommittees, including—

"(1) an investment committee; and

"(2) in accordance with section 1630—

"(A) a risk management committee; and

"(B) an audit committee.

"SEC. 1630. ESTABLISHMENT OF RISK MANAGEMENT COMMITTEE AND AUDIT COMMITTEE.

"(a) IN GENERAL.—To assist the Board in fulfilling the duties and responsibilities of the Board under this subtitle, the Board shall establish a risk management committee and an audit committee.

"(b) DUTIES AND RESPONSIBILITIES OF RISK MANAGEMENT COMMITTEE.—Subject to the direction of the Board, the risk management committee established under subsection (a) shall establish policies for and have oversight responsibility for—

"(1) formulating the risk management policies of the operations of the Accelerator;

"(2) reviewing and providing guidance on operation of the global risk management framework of the Accelerator;

"(3) developing policies for—

"(A) investment;

"(B) enterprise risk management;

"(C) monitoring; and

"(D) management of strategic, reputational, regulatory, operational, developmental, environmental, social, and financial risks; and

"(4) developing the risk profile of the Accelerator, including—

"(A) a risk management and compliance framework; and

"(B) a governance structure to support that framework.

"(c) DUTIES AND RESPONSIBILITIES OF AUDIT COMMITTEE.—Subject to the direction of the Board, the audit committee established under subsection (a) shall have oversight responsibility for—

"(1) the integrity of—

"(A) the financial reporting of the Accelerator; and

"(B) the systems of internal controls regarding finance and accounting;

"(2) the integrity of the financial statements of the Accelerator;

"(3) the performance of the internal audit function of the Accelerator; and

"(4) compliance with the legal and regulatory requirements related to the finances of the Accelerator.

"SEC. 1631. OVERSIGHT.

"(a) EXTERNAL OVERSIGHT.—The inspector general of the Department of Energy shall have oversight responsibilities over the Accelerator.

"(b) REPORTS AND AUDIT.—

"(1) ANNUAL REPORT.—The Accelerator shall publish an annual report which shall be transmitted by the Accelerator to the President and the Congress.

"(2) ANNUAL AUDIT OF ACCOUNTS.—The accounts of the Accelerator shall be audited annually. Such audits shall be conducted in accordance with generally accepted auditing standards by independent certified public accountants who are certified by a regulatory authority of the jurisdiction in which the audit is undertaken.

"(3) ADDITIONAL AUDITS.—In addition to the annual audits under paragraph (2), the financial transactions of the Accelerator for any fiscal year during which Federal funds are available to finance any portion of its operations may be audited by the Government Accountability Office in accordance with such rules and regulations as may be prescribed by the Comptroller General of the United States.

"SEC. 1632. MAXIMUM CONTINGENT LIABILITY.

"The maximum contingent liability of the Accelerator that may be outstanding at any time shall be not more than $70,000,000,000 in the aggregate.".

☒

UNITED STATES
CLIMATE ALLIANCE

July 21, 2020

The Honorable Nancy Pelosi
Speaker
United States House of Representatives
1236 Longworth H.O.B.
Washington, DC 20515

The Honorable Mitch McConnell
Majority Leader
United States Senate
317 Russell Senate Office Building
Washington, DC 20510

The Honorable Kevin McCarthy
Minority Leader
United States House of Representatives
2468 Rayburn House Office Building
Washington, DC 20515

The Honorable Chuck Schumer
Minority Leader
United States Senate
322 Hart Senate Office Building
Washington, D.C. 20510

Dear Speaker Pelosi, Majority Leader McConnell, Minority Leader McCarthy, and Minority Leader Schumer,

I write to you on behalf of the United States Climate Alliance (Alliance), a bipartisan coalition of 25 governors committed to advancing climate action. Together, Alliance states represent over half the U.S. population, 40 percent of U.S. greenhouse gas emissions and 60 percent of U.S. GDP - an $11.7 trillion economy.

The Alliance commends your leadership in addressing the COVID-19 emergency and relief efforts. Your continued focus on immediate relief is necessary to ensure states can continue to provide critical services. COVID-19 has caused a public health crisis, unprecedented job losses, and a national recession that requires further bold action to provide relief and achieve a resilient and equitable recovery. To ensure essential state services are uninterrupted and states can begin the recovery process, the Alliance recommends Congress direct:

- at least $500 billion in immediate, flexible federal aid for states and territories, in addition to separate aid for local government;
- additional flexible funding to modernize, decarbonize, and enhance the resilience of our nation's infrastructure; and
- incentives to mobilize private investment and create public-private partnerships.

$500 Billion in Flexible Federal Aid for States and Territories

States face immediate and lasting revenue losses due to the COVID-19 emergency that threaten their strong fiscal foundations. Therefore, the Alliance supports the National Governors Association's bipartisan request for at least $500 billion in immediate, flexible federal aid for states and territories – in addition to separate aid for local governments– to enable governors to preserve core government services like public health, safety, and education. These funds would also get communities back to work and help our states come out of this crisis stronger and more resilient.

Additional Flexible Funding to Revitalize the Nation's Infrastructure

The country has a historic opportunity to stimulate the economy and sustain economic growth through major infrastructure investments, private sector mobilization, and the creation of family-sustaining jobs. The Alliance recommends the investments below (see Annex) to put the nation on the path to economic recovery, reduce greenhouse gases, improve public health through cleaner air, and build more resilient communities and economies.

Increasing flexible funding, particularly through existing programs, will help states modernize, decarbonize, and enhance the resilience of our nation's infrastructure by strengthening our power grid, expanding nature-based solutions, and reducing the energy use of our buildings. These infrastructure investments will, in turn, create job and workforce training opportunities for residents returning to work while putting money back in the pockets of families across the country. They will also reduce harmful air pollution that exacerbates cardiovascular and respiratory diseases – actions that are more critical than ever given COVID-19. An indicative list of programs the Alliance supports is annexed to this letter.

It is critical that investments balance the need to provide immediate funds to jumpstart economic revitalization and sustained support for long-term recovery and growth. Secondly, waiving the requirement for states to match stimulus funding in any 2020 and 2021 capitalization grants is critical given current state budget constraints. Finally, any new programs and funding should be provided in the form of block grants to allow for needed flexibility.

Leveraging Public Funding to Mobilize Private Capital

Congress should use public funding and incentives to mobilize private investment and create public-private partnerships. In addition to providing federal funds to regional, state, and local government authorities through an independent, non-profit, National Green Bank, we support tax credits and bonding tools that allow businesses and residents to invest in the transition to a decarbonized and resilient economy. An indicative list of tools the Alliance supports is annexed to this letter.

Workforce and economic development strategies should be tied to the investments in any stimulus package. This funding should support family-sustaining jobs with fair wages and strong labor standards, as well as training pathways into these jobs. Small business resilience, worker training, recruitment and retention, and alignment with or support for formulating local economic development and diversification strategies are critical. Congress should also prioritize investments in vulnerable communities that are disproportionately burdened by environmental, health, and economic crises.

In addition, the Alliance supports accountability through responsible oversight and evaluation of all federal funds allocated to and invested by states. Monitoring will help assess the performance of stimulus investments in advancing economic recovery and job creation in an effective, efficient, and equitable manner. Alliance states would welcome a dialogue with Congress on possible metrics to estimate and track at the outset and throughout the project life cycle.

The current crisis demands a comprehensive, strategic, and equitable response. By preserving core state and local government services, modernizing our nation's critical infrastructure, mobilizing private investment, and creating family-sustaining jobs, the Alliance states and Congress can both mitigate the threat of COVID-19, and address the ever-growing climate crisis.

Thank you for your consideration.

Sincerely,

Julie Cerqueira

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Annex

Alliance states support the following programs and tools to revitalize our infrastructure and mobilize private investment. This list is indicative only.

Programs that Enable Flexible Funding to Revitalize the Nation's Infrastructure

- Increasing funding for current programs such as the State Energy Program, Weatherization Assistance Program, Federal Transit Administration's Low and No Emission Bus Program and Diesel Emission Reduction Act, and DOE's Clean Cities to enable investment in clean energy, low-carbon transportation, and building efficiency.
- Reinstating and funding the Energy Efficiency Conservation Block Grant program to enhance states' ability to lower energy bills for residents and businesses alike.
- Increasing funds and decreasing cost share requirements as applicable for programs such as FEMA's Building Resilient Infrastructure and Communities (BRIC) and Hazard Mitigation Grant Program, Clean Water and Drinking Water State Revolving Funds (SRFs) and EPA's geographic programs to support projects that build resiliency, restore environmental quality, and can address both COVID-19 and climate impacts.
- Providing block grants to states to invest in nature-based solutions[1] designed to reduce physical risk from extreme events while maximizing carbon removal and storage potential.
- Providing grant funding for broadband expansion to programs such as USDA's Reconnect Program to help rural and low- and moderate-income (LMI) residents and businesses stay connected, reducing energy use and costs, reducing travel and transportation-related emissions, and increasing access to jobs, government services, and education and training.

Tax and Bonding Tools to Mobilize Private Investment

- **Power:** A program to provide a choice between the existing Business Energy Investment Tax Credit (ITC), or direct cash payments in lieu of the ITC, for all Section 48 and 25D qualified solar energy projects for the length of the ITC period, and extending the "Start of Construction" and "Placed in Service" deadlines by 5 years for the Section 48 ITC and Renewable Electricity Production Tax Credits. Broadening the ITC to include battery storage (both in paired and standalone configurations) and manufacturing of equipment. Extending the Section 45Q tax credit for carbon capture and storage by 5 years.
- **Vehicles and Fuels:** Extending the Section 30D Plug-In Electric Vehicle (EVs) Credit for another 10 years and eliminating the manufacturer cap. Extending the Alternative Fuel Infrastructure Tax Credit.
- **Residential Upgrades:** Broadening and expanding the Section 25D Residential Renewable Energy Tax Credit to include resiliency measures and increasing both the cap and length of

[1] Nature-based solutions include regenerative agriculture, riparian buffers, urban greening, and the restoration of streambanks, wetlands, dunes, and native forests.

time for investment. Reinstating the Residential Energy Efficiency Tax Credit and increasing the caps, including for installation costs and windows. Expanding the Low-Income Housing Tax Credit to encourage green development of affordable housing.

- **Manufacturing:** Expanding Section 48C Advanced Manufacturing Tax Credit to build U.S. manufacturing capacity.
- **Agriculture**: Expanding federal research and development tax credits to support regenerative agriculture and healthy soil practices.
- **Energy and Resiliency Bond Subsidies:** Providing energy and resiliency infrastructure bonds to fund capital expenditures on qualified renewable energy facilities, energy conservation projects, or resiliency projects. This can be modeled after the Qualified Energy Conservation Bonds and the Clean Renewable Energy Bonds removed under the Tax Cuts and Jobs Act (TCJA). Reinstating Advance Refunding Bonds, an essential financing tool used by state and county governments to fund critical infrastructure projects.[2]

[2] The bonds also save taxpayer dollars by allowing governments to refinance tax-exempt bonds at lower interest rates. From 2012-2017, taxpayers saved $14 billion through the bonds before they were eliminated in the TCJA.

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