



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

Friday, July 22, 2022  
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 July 22, 2022.

Board Members Present: Bettina Bronisz for Sarah Sanders, Binu Chandy, Matthew Dayton, Thomas Flynn, Victoria Hackett, Adrienne Farrar Houël, Laura Hoydick, Matthew Ranelli, Lonnie Reed

Board Members Absent: Dominick Grant, John Harrity, Brenda Watson

Staff Attending: Emily Basham, Sergio Carrillo, Shawne Cartelli, Catherine Duncan, Mackey Dykes, Brian Farnen, Bryan Garcia, Sara Harari, Bert Hunter, Alex Kovtunenکو, Cheryl Lumpkin, Ariel Schneider, Eric Shrago, Dan Smith

Others present: Claire Sickinger, Giulia Bambara

**1. Call to Order**

- Lonnie Reed called the meeting to order at 9:03 a.m.

**2. Public Comments**

- No public comments.

Bryan Garcia proposed changes to the Agenda to move item 8a up to before item 5, and then to add item 5b for Asset Backed Securities (ABS) – Bond Matters.

**Upon a motion made by Laura Hoydick and seconded by Adrienne Houël, the Board of Directors voted to approve the amendment to the meeting Agenda. None opposed or abstained. Motion approved unanimously.**

**3. Consent Agenda**

**a. Meeting Minutes of June 24, 2022**

**Resolution #1**

Motion to approve the meeting minutes of the Board of Directors for June 24, 2022.

**b. FY22 Progress to Targets**

**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 20212 including approving annual budgets and targets for FY 2022.

**NOW**, therefore be it:

**RESOLVED**, that Board has reviewed and approved the Program Performance towards Targets for FY 2022 memos dated July 22, 2022, which provide an overview of the performance of the Incentive Programs, Financing Programs, and Investments with respect to their FY 2022 targets.

**c. Governance Compliance Reporting**

**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 2022 memo dated July 15, 2022 prepared by staff, which provides a summary report of the FY 2022 governance of the Board of Directors and its Committees of the Connecticut Green Bank.

**d. Energy Storage Solutions**

#### **Resolution #4**

**WHEREAS**, the Connecticut Green Bank (Green Bank) proposes to administer the upfront incentive payments through (i) the issuance of a Reservation of Funds (ROF) letter, and (ii) the issuance of a Confirmation of Funds (COF) letter upon the completed installment of all equipment, the procurement of required utility permits, and the verification of connectivity with dispatch platforms;

**WHEREAS**, residential projects with an estimated upfront incentive payment not equal to or greater than \$500,000 shall be approved by Green Bank staff and upon approval be issued a ROF letter; and, for projects with an estimated upfront incentive payment greater than or equal to \$500,000, the Green Bank shall prepare a proposal to the Board for approval, per the bylaws of the Green Bank;

**WHEREAS** proposals for projects with an estimated upfront incentive payment equal to or greater than \$500,000 shall include a Tear Sheet outlining customer, project, and site information; priority customer eligibility criteria, Battery Energy Storage System (BESS) characteristics, ratepayer and societal benefits generated by the program as represented by benefit-cost analysis ratios, and information related to the estimated upfront incentive payment;

**WHEREAS**, within the existing Board and Deployment Committee regular meeting schedule, the Green Bank staff shall seek Board approval of non-residential projects with estimated upfront incentive payments equal to or greater than \$500,000 via consent agenda, and, upon approval by the Board, Green Bank staff shall issue ROF letters to the project developer and customer;

**WHEREAS**, after projects are fully operational, Green Bank staff shall notify the Board of their intent to issue COF letters, and, and as necessary, provide an analysis and explanation for any material difference between an approved estimated upfront incentive payment and the final incentive amount.

**WHEREAS**, in its June 22, 2002 meeting the Board approved that upfront incentive payments under \$500,000, as estimated by the Green Bank in fulfillment of its responsibilities set forth in the Program, be issued a ROF letter upon approval by internal Green Bank.

**WHEREAS**, in its June 22, 2002 meeting the Board approved the implementation of an Upfront Incentive Project Approval procedure ("Procedure") involving of the issuance of a proposal for non-residential projects under consideration by the Green Bank in fulfillment of its responsibilities set forth in the Program with an estimated upfront incentive payment greater than \$500,000; and

**WHEREAS**, in its June 22, 2002 meeting the Board approved that, as part of the Procedure, the Green Bank staff shall obtain Board approval of such estimated upfront incentive payments via consent agenda utilizing the Tear Sheet process described in the memorandum to the Board dated June 24, 2022;

**NOW**, therefore be it:

**RESOLVED**, that the Board hereby approves the estimated upfront incentives sought by 13 non-residential projects totaling \$16,513,170 consistent with the memorandum provided to the Board dated July 15, 2022.

**RESOLVED**, that the proper Green Bank officers are authorized and empowered to do all other acts and execute and deliver all any documents and regulatory filings as they shall deem necessary and desirable to affect the above-mentioned incentives consistent with the Procedure and the memorandum provided to the Board dated July 15, 2022.

**Upon a motion made by Thomas Flynn and seconded by Bettina Bronisz, the Board of Directors voted to approve the Consent Agenda which includes Resolutions 1 – 4. None opposed or abstained. Motion approved unanimously.**

**4. Committee Recommendations and Updates**

**a. Audit, Compliance, and Governance Committee**

**i. Ad Hoc Committee – Recommendation of Kevin Walsh**

- Brian Farnen summarized the proposal of Kevin Walsh to be added to the Ad Hoc Committee as well as the nature of the Ad Hoc Committee and the Ad Hoc Ethical Conduct Policy.
  - Matthew Dayton asked about the requirement to complete the SFI (Statement of Financial Interest). Brian Farnen answered that he talked to the Office of Ethics, and they stated it would not apply to the Ad Hoc Committee as they are non-voting and advisory in nature. Brian Farnen then asked the Office of Ethics if the members could be asked to apply for it anyway, and the Office of Ethics answered that they could submit a SFI filing to Ethics though it is not typical. Brian Farnen stated doing the SFI may deter some of them to become involved however, and recommends against it, instead suggesting the adoption of an Ad Hoc Ethics Policy. Matthew Dayton clarified his reason for wanting the SFI, and Brian Farnen agreed that it should be okay to not involve them in those types of matters.
  - Victoria Hackett stated she would abstain as she has not had time to review it with DEEP legal counsel. Brian Farnen suggested it be moved to the next meeting in order to give DEEP the necessary time to review. Victoria Hackett agreed and thanked him.

Resolution #5 was tabled until the next Board of Directors meeting.

**Resolution #5**

**WHEREAS**, the Board unanimously affirmed a motion to establish the Ad Hoc Advisory Committee comprised of members without voting authority for the sole purpose of soliciting expert advice to advance the mission of the organization at its meeting on October 22, 2021;

**WHEREAS**, the Green Bank is committed to ethical conduct and transparency and seeks to provide guidance to non-voting Directors on proper compliance with relevant statutes, rules, and regulations;

**WHEREAS**, the Audit, Compliance and Governance Committee recommended to the Board of Directors Kevin Walsh serve as Board Member Emeritus at its May 17, 2022, Committee Meeting;

**NOW**, therefore be it:

**RESOLVED**, that the Board of Directors approves the Ad Hoc Advisory Ethical Conduct Policy.

**RESOLVED**, that the Board of Directors approves the recommendation of Kevin Walsh to serve on the Ad Hoc Advisory Committee as a Board Member Emeritus.

**Upon a motion made by Laura Hoydick and seconded by Victoria Hackett, the Board of Directors voted to table Resolution 5 until the next Board of Directors meeting. None opposed or abstained. Motion approved unanimously.**

The next Agenda item discussed was 8a.

## **5. Incentive Programs Updates and Recommendations**

### **a. FY 2022 Report Out – Incentive Programs**

- Sergio Carrillo summarized the FY22 performance of the Incentive Programs. Overall, the project goals were met, capital deployed was at 98% met, and capacity was 86% met, but he noted that RSIP, RSIP-E, and Solar for All performed very well. Smart-E capacity was under-target for capacity because many of the projects were home performance and HVAC which do not have a megawatt capacity associated with the project.
- Sergio Carrillo summarized the current statuses of the RSIP and RSIP-E projects.
  - Bryan Garcia commented that the initial Public Act 11-80 established a target of 30 MW by the end of 2022, which was increased to 300 MW in 2015, then 350 MW in 2019. It shows how successful the program has been and he noted the final report will be submitted in January 2023 as the program ends on December 31, 2022.
- Sergio Carrillo continued with a summary of the Battery Storage program status, which has been a bit slow while the infrastructure needed to manage the program is being built. Many aspects of that portion of the program is being built from scratch.
  - Lonnie Reed commented that the battery storage program was asked to be managed by PURA, and she thanked the staff for their hard work.
  - Adrienne Houël asked how many projects the current Battery Storage program represents. Sergio Carrillo answered for Residential, which comprises 185 kW, there are 125 projects and 39 of them have been approved. For Non-Residential, which comprises 2.9 MW, there are 45 projects.

Binu Chandy left the meeting at 9:35 am.

### **b. Asset Backed Securities (ABS) – Bond Matters**

- Sergio Carrillo summarized the background of the RGM upgrade from using 3G meters, including the adoption of the Ken Gillingham methodology to estimate production for meters affected by the shutdown, and though some production was lost, much of it has been recovered thanks to that developed methodology.
- Bert Hunter explained the impact of the meter upgrades as well as 2 hurricanes which impaired production and the need to amend the ABS documents. He noted that bond payments are not in jeopardy but that payments to the holder of “B Notes” were ceased with all payments going to the “A Notes.” Kroll placed the ABS bonds on “Watch Developing” status in March, though it is not affecting the Green Liberty Notes. The issue is that the ABS Bonds are in jeopardy of a ratings downgrade and the proposed solution is to work with the bondholder to amend the documents to permit the Green Bank the option to cure revenue shortfalls for

matters related to interruptions of reporting or production that the Green Bank considered temporary. He also stated there is no foreseen material adverse economic impact to the Green Bank.

- Bettina Bronisz asked how many bond holders there are, and Bert Hunter said one, though he could not publicly disclose their name but did state they are an insurance company. Bettina Bronisz asked what the coverage ratio that was tested and tripped and Bert Hunter responded there were two, one is an Early Amortization Event and the second is a Sequential Interest Amortization Event. He then explained what the tests require and the recent testing results.
- Bettina Bronisz asked which law firm drafted the Resolution and Brian Farnen responded that Pullman & Comley, though Shipman and Goodwin is typically used, but Pullman & Comley was this time because of their renewable energy and regulatory expertise.
- Bettina Bronisz asked if the bond holder has already been contacted and Bert Hunter said yes, there is an upcoming meeting with them.
- Bettina Bronisz asked about the Kroll Rating and Bert Hunter said he would look up the details and get back to her.
- Thomas Flynn asked about the Resolution for clarifications about the “A Note” and “B Note” holders. Bert Hunter answered that the one company is the holder for both, but the way they are being paid has changed. Thomas Flynn asked for clarification about the details of those payments, the covenants broken, and how long this issue is expected to last. Bert Hunter answered that it may continue for a few quarters until the reporting issue is resolved.
- Thomas Flynn asked for clarification about the three issues that caused the covenant to be tripped and for more information regarding the RGM meter upgrade process, specifically why it is considered out of the control of the Green Bank. Bert Hunter responded that part of the meter upgrade issues are related to supply chain shortages, which has impacted progress. Sergio Carrillo added that there is no set estimated date for the meter upgrades to be complete.
- Thomas Flynn asked about the economic cost of paying the bonds out compared to other solutions. Bert Hunter answered that when he discussed the resolution with the investment bank, they did not believe it would be a material cost. Thomas Flynn was dissatisfied with that answer, but Bert Hunter estimated he believed it would cost less than \$25,000 and the investment bank is not charging the Green Bank. As well, he believes the bondholder would be interested in cooperating based on what the rating downgrade could do.
- Thomas Flynn expressed his concern about the meters not reporting and the requirement to report the production. Bert Hunter explained more about the Ken Gillingham methodology and other aspects of the solution to the reporting issue. The group discussed the potential future timeline of implementing the solutions and being free of the covenant trip.
- Bettina Bronisz asked for a recap of the Resolution text and Brian Farnen summarized it.

## **Resolution #11**

**WHEREAS**, a special purpose Delaware limited liability company that is a wholly-owned subsidiary of the Connecticut Green Bank, SHREC ABS 1 LLC (the “Issuer”), entered into a certain Base Indenture between the Issuer and The Bank of New York Mellon Trust Company, N.A., as Trustee, dated as of April 2, 2019 (the “Base Indenture”), allowing the Green Bank to issue one or more series of notes pursuant to one or more series indenture supplements

thereto, with the obligations under each separate series of notes secured by the accounts receivable (the "SHREC Receivables") generated by the sale of a specific type of Renewable Energy Credit ("REC") called a "solar home renewable energy credit" and the related environmental attributes (collectively, a "SHREC") from the homeowners and third-party system owners ("TPOs") receiving Connecticut's Residential Solar Incentive Program ("RSIP") incentives, to each of The Connecticut Light and Power Company d/b/a Eversource Energy ("Eversource") and The United Illuminating Company ("United Illuminating" and together with Eversource, each, a "Utility" and together, the "Utilities"), pursuant to two 15-year contracts dated as of February 7, 2017 and amended as of July 30, 2018 (each, a "Master Purchase Agreement" and together, the "Master Purchase Agreements"); and

**WHEREAS**, the Green Bank sold two classes of Series 2019-1 Notes as follows: (i) approximately \$36,800,000 of Class A Notes (the "Series 2019-1 Class A Notes") and (ii) approximately \$1,800,000 of Series 2019-1 of Class B Notes (the "Series 2019-1 Class B Notes", and together with the Series 2019-1 Class A Notes, the "Series 2019-1 Notes"), in offerings intended to be exempt from registration under the Securities Act of 1933, as amended (the "Offering"), pursuant to the terms of the Base Indenture and the series indenture supplement thereto with respect to the Series 2019-1 Notes (the "Series 2019-1 Indenture Supplement"), between the Issuer and the Trustee (the "Indenture"), and a certain Management Agreement between the Green Bank and the Issuer, a certain Sale and Contribution Agreement between the Green Bank and the Issuer, and related documents (collectively, the "Collateral Documents"); and

**WHEREAS**, two hurricanes that occurred in Connecticut in August and September of 2021 led to lower irradiance and temporary power grid inoperability, resulting in temporarily lower than expected generation of SHREC Receivables and breaches of certain covenants in the Collateral Documents, causing the holders of the Series 2019-1 Class B Notes to miss a payment and accelerating the amortization schedule of the Series 2019-1 of Class A Notes; and

**WHEREAS**, the 3G network that was initially metering a high percentage of the SHRECs is being shut down, resulting in a temporary inability of the Green Bank to collect the data necessary to bill the Utilities under the Master Purchase Agreements for the SHRECs being generated, resulting in a temporary shortfall in the value of the SHREC Receivables securing the Series 2019-1 Notes; and

**WHEREAS**, the Board of Directors of the Green Bank has determined that it is in the best interest of the Green Bank to enter into amendments to the Series 2019-1 Notes and Collateral Documents for the purpose of allowing the Green Bank to elect to provide funds to the Issuer, in the Green Bank's discretion, in amounts sufficient to allow the Issuer to restore compliance with, and to remain in compliance with, the terms of the Series 2019-1 Notes and the Collateral Agreements ;

**NOW**, therefor be it:

**RESOLVED**, that the form, terms and provisions of an amendment to the terms of the Collateral Agreements permitting the Green Bank, in its discretion, to provide funds to the Issuer in amounts sufficient to allow the Issuer to restore compliance with, and to remain in compliance with, the terms of the Series 2019-1 Notes and the Collateral Agreements (the "Amendment") be, and they hereby are, approved; and further

**RESOLVED**, that in connection with the Amendment, the President and any other officer

of the Green Bank (each, a “Proper Officer”) be, and each of them acting individually hereby is, authorized and directed in the name and on behalf of the Green Bank, in its own capacity and as member and manager of SHREC ABS 1 LLC, to prepare and deliver, or cause to be prepared and delivered, each of the Amendment to the Series 2019-1 Notes and the Collateral Agreements, with such modifications, amendments or changes therein as the Proper Officer executing the same may approve, such approval and the approval thereof by such Proper Officer to be conclusively established by such execution and delivery; and to execute and deliver any and all instruments, certificates, receipts, undertakings, commitments, consents, representations, financing statements, control agreements and other ancillary documents contemplated by any of the foregoing agreements; and to take or cause to be taken all such action and to execute and deliver or cause to be executed and delivered, and, if appropriate, file or record, or cause to be filed and recorded, all such applications, agreements, contracts, undertakings, commitments, consents, certificates, reports, affidavits, statements, and other documents, instruments or papers as such officer deems necessary, and to make such payments desirable or appropriate to carry out and consummate the intent and purposes of the foregoing resolutions and/or all of the transactions contemplated therein or thereby, the authorization therefor to be conclusively evidenced by the taking of such action or the execution and delivery of such agreements, amendments to agreements, certificates, instruments, agreements or documents; and further

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

**Upon a motion made by Victoria Hackett and seconded by Thomas Flynn, the Board of Directors voted to approve Resolution 11. None opposed or abstained. Motion approved unanimously.**

**6. Financing Programs Updates and Recommendations**  
**a. FY 2022 Report Out – Financing Programs**

- Mackey Dykes summarized the performance of the Financing Programs, which overall did well aside from poor performance of the Commercial Solar PPA program. He reviewed the details of the C-PACE performance, noting that most lenders are focused on large, new construction and repositioning projects, which caused the project goal to fall short as less projects are being initiated, though they are larger sized which reflects in the capital deployed which exceeded the target. For Commercial Solar PPA, there were significant solar disruptions that caused it to be severely under-target, which impacted not onto Connecticut but national numbers. Mackey Dykes reviewed several of the issues that took place and explained there is a pipeline to meet the goals, but issues outside of the Green Bank’s control, such as supply chain shortages and equipment tariffs, lead to the delays. Work is being done with the installers to navigate the issues and minimize the impact on customers.
  - Thomas Flynn recognized the supply chain shortages and asked if the increased cost to complete the projects makes them still viable to continue with, and Mackey Dykes responded that that exact question is what is being asked to installers, and work is being done to help them determine each project’s viability. The initial analysis is that the projects should still deliver savings to customers. Thomas Flynn cautioned going slowly when proceeding due to the current market fluctuations.



- Thomas Flynn asked if discussions have been had to extend the incentives while the market is unstable and Mackey Dykes answered that a request to PURA was submitted and granted to extend the termination dates, however PURA has not expressed interest in extending the contract term, so they are still locked into 15-year periods.
- Thomas Flynn asked if future projects are paused or how they are being managed. Mackey Dykes responded that yes, the Solar MAP program has been slowed for these reasons and some others.

#### **b. C-PACE Program Guidelines – Recharging Infrastructure**

- Mackey Dykes began summarizing the background of the two C-PACE statute changes. Catherine Duncan summarized the proposed edits to the C-PACE program guidelines to implement the statutory changes as well as the future timeline to getting them accepted. Mackey Dykes explained there is no Resolution but the team wanted to keep the Board up to date as there will be in the future and to give them an opportunity to provide feedback before Public Comment.

#### **c. Sustainable CT**

- Emily Basham summarized the background of Sustainable CT, their accomplishments, and reviewed the proposal to renew the \$125,000 grant to continue to support them.

#### **Resolution #6**

**WHEREAS**, the Comprehensive Plan and FY 2023 budget identify Sustainable CT as a partner of the Connecticut Green Bank (“Green Bank”), including an allocation of \$125,000 from the FY 2023 Marketing budget;

**WHEREAS**, Connecticut Green Bank (“Green Bank”) staff has submitted to the Green Bank Board of Directors (the “Board”) a proposal for Green Bank to enter into a grant agreement with Sustainable CT for \$125,000 for programmatic purposes in order to increase our impact by applying the green bank model through Sustainable CT’s programs as explained in a memorandum to the Board dated July 15, 2022;

**WHEREAS**, Sustainable CT satisfies all criteria of the Strategic Selection and Award process of Green Bank operating procedures, namely: (1) special capabilities, (2) uniqueness, (3) strategic selection, (4) multiphase, follow-on investment and (5) urgency and timeliness;

**WHEREAS**, Green Bank staff recommends that the Board approve a grant between the Green Bank and Sustainable CT, generally in accordance with memorandum summarizing the grant to the Board in a memorandum dated July 15, 2022; and,

**WHEREAS**, Green Bank would benefit from Sustainable CT’s public awareness and engagement program to increase participation in and development of Green Bank’s incentive and financing programs. Through the partnership, Green Bank and Sustainable CT are driving investment in projects in communities throughout the state.

**NOW**, therefore be it:

**RESOLVED**, that the Board approves Green Bank to enter into a Grant Agreement with Sustainable CT as a strategic selection;

**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 Sustainable CT grant agreement 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 Laura Hoydick and seconded by Matthew Ranelli, the Board of Directors voted to approve Resolution 6. None opposed or abstained. Motion approved unanimously.**

#### **d. Municipal Assistance Program(s)**

- Emily Basham summarized the background of the Solar MAP program and the challenges faced by municipalities which this program aims to relieve. Mackey Dykes explained some criticism that was recently received and wanted to be sure the Board of Directors was aware of it as well as provide additional information related to it. As for the raised transparency concern, the group that raised the concerns was contacted and efforts are being made to increase the transparency of the program such as posting more data points publicly. As for the competition and lack of clarity to acceptable targets, Mackey Dykes explained the goal of the program is to make projects happen that would not have otherwise happened. Several towns and installers were also met with to survey them for feedback about the program. Emily Basham summarized that the towns surveyed expressed that without the Solar MAP program, they would not have the staff, time, or other resources to pursue clean energy projects. They also have difficulty getting approval from their Boards, even when proposed internally, and so the Solar MAP program gave them the additional support needed to identify the most effective project options and get their Boards' approval. Other installers surveyed confirmed that the projects discussed would not have been pursued or able to gain on their own.

- Mackey Dykes summarized that the team still wanted to take the claims seriously and confirm that the program is achieving what it set out to do.

- Lonnie Reed commented that she agrees that the Solar MAP program is reaching underserved customers and the efforts are noticed. She stated she is glad that contact is being made to smaller communities. Matthew Ranelli agreed with Lonnie Reed that although it is always important to listen to market concerns, the demand was present, and the Green Bank is filling that role since that portion of the market wasn't being served. As well, he stated the Solar MAP program has created a good template and is providing a model for getting municipal approvals, which in his experience those customers may have been unaware of how to proceed.

- Laura Hoydick pointed out that the volume-buying and bulk purchasing aspects of the program is something many towns are pursuing themselves through the COGs. She questioned whether there should be a population limit on towns that the Green Bank is reaching out to for the program.

## **Resolution #7**

**WHEREAS**, the state legislature provides statutory guidance to the Green Bank to support municipalities in clean energy deployment pursuant to CGS 16-245n;

**WHEREAS**, Green Bank's Solar MAP was modelled after and developed based on Lead By Example, which supports solar on state facilities, and other programs to provide municipal assistance to address market barriers and to take advantage of the savings offered by solar;

**WHEREAS**, Green Bank received concerns from a subgroup of contractors regarding the absence of clarity on the program's mission and target audience, the Green Bank's role developing opportunities for municipalities, and request for more transparency in the status of the program;

**WHEREAS**, Green Bank was compelled to assess Solar MAP by seeking feedback from municipalities that have engaged in the program as well as contractors who we seek to continue to provide opportunities;

**NOW**, therefore be it:

**RESOLVED**, that the Board recognizes the importance of balancing the deployment of clean energy, supporting municipalities and not competing with the private sector; and

**RESOLVED**, that the Board recognizing that Solar MAP is creating more opportunities for the market and assistance to towns who seek assistance; and

**RESOLVED**, that the Board support for continuing Solar MAP and other municipal assistance programs to lower their energy costs and confront climate change; and

**RESOLVED**, that the Board approves of the program and the inclusion of Solar MAP in the Comprehensive Plan; and

**RESOLVED**, the Board directs staff to develop marketing materials that clearly communicate the intentions of the program.

**Upon a motion made by Laura Hoydick and seconded by Matthew Ranelli, the Board of Directors voted to approve Resolution 7. None opposed or abstained. Motion approved unanimously.**

### **7. Investment Updates and Recommendations** **a. FY 2022 Report Out – Investments**

Agenda item 7a was bypassed for time and because a memo was also submitted recently in relation to it.

#### **b. Extension Request – Groton Fuel Cell Project**

- Bert Hunter reviewed another update and delay to the Groton Fuel Cell project and a proposed extension. The commissioning of it, to be accepted by the US Navy, is currently

anticipated to be complete by the first week of August 2022. The transaction documentation is underway though it is slow and the banks are currently refreshing the credit approvals, as they went stale during the project pause.

### **Resolution #8**

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

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

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

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

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

**WHEREAS**, Green Bank staff has further advised the Board that the closing for the Credit Facility is expected to close in early August 2022 and to accommodate the additional time that might be needed to execute the Credit Facility requests the permitted time to execute the credit facility be increased from not later than 590 days from the original date of authorization by the Board (i.e., not later than July 31, 2022) to not later than 682 days from the date of authorization by the Board (i.e., not later than October 31, 2022).

**NOW**, therefore be it:

**RESOLVED**, that the Green Bank Board hereby approves the extension of time for the execution of the Credit Facility to not later than 682 days from the original date of authorization by the Board (i.e., not later than October 31, 2022);

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

**RESOLVED**, that the proper Green Bank officers are authorized and empowered to do all other acts and execute and deliver all other documents and instruments as they shall deem necessary and desirable to affect the Term Loan and participation as set forth in the Memorandum.

**Upon a motion made by Bettina Bronisz and seconded by Adrienne Houël, the Board of Directors voted to approve Resolution 8. None opposed and Matthew Ranelli abstained. Motion approved.**

Adrienne Houël left the meeting at 11:05 am.

### **c. Investment Modification Request – Cargill Falls**

- Bert Hunter summarized the background to the Cargill Falls project and the proposal to a financial restructuring due to a delay on of the hydroelectric side of the project which has caused a revenue shortfall to make the C-PACE payment. This restructuring would roll the principal that would be due on July 1 (to be received by August 1) to one of the benefit assessment liens that is on a shorter term (10 years). About \$255,000 would be moved to the second, shorter benefit assessment lien.
  - Matthew Ranelli asked about alternatives to moving that money into the shorter lien, if there is a way to create a different structure in order to get the \$255,000 on a first-out basis, and whether that kind of change would make a difference. Bert Hunter answered that yes, the Green Bank is setup currently to receive any excess cash flow to pay down the note. However, there is a shorter term note with the contractor, who has invested millions of his own company money into the project, is getting repaid first.
  - Matthew Ranelli asked why there has not been more capital interest in the private sector, considering there has been such high demand. Bert Hunter responded that he believes the project needs to reach a point where everything is stabilized, and that means getting the hydroelectric portion complete which will allow the development to start to build a history from a completely functioning point of view.
  - Bettina Bronisz asked if the July 1 payment was missed. Bert Hunter clarified that the project is paying the interest portion to the Green Bank, not that the Green Bank is making a payment. The principal is being deferred – no additional cash is being advanced.

### **Resolution #9**

**WHEREAS**, pursuant to Conn. Gen. Stat. 16a-40g, the Connecticut Green Bank (“Green Bank”) has established a commercial sustainable energy program for Connecticut, known as Commercial Property Assessed Clean Energy (“C-PACE”);

**WHEREAS**, the Board of Directors (“Board”) of the Green Bank previously approved a

construction and term loan, secured by a C-PACE benefit assessment, not-to-exceed amount of \$8,100,000 (the “Current Loan”) to Historic Cargill Falls Mill, LLC (“HCFM”), the property owner of 52 and 58 Pomfret Street, Putnam, Connecticut, to finance the construction of specified clean energy measures (the “Project”) in line with the State’s Comprehensive Energy Strategy and the Green Bank’s Strategic Plan;

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

**WHEREAS**, the Green Bank now seeks approval to amend the Current Loan to HCFM to provide up to \$275,000 in additional funding (the “Loan Amendment”) for the Project, inclusive of finalizing the existing Project work.

**NOW**, therefore be it:

**RESOLVED**, that the President of the Green Bank and any other duly authorized officer of the Green Bank is authorized to execute and deliver the Loan Amendment in a total amount not to exceed the sum of (i) the Current Loan being secured by a C-PACE benefit assessment, plus any and all interest accrued, plus (ii) \$260,000, with terms and conditions consistent with the memorandum submitted to the Board dated July 15, 2022, and as he or she shall deem to be in the interests of the Green Bank and the ratepayers no later than 180 days from July 22, 2022; and,

**RESOLVED**, that the proper Green Bank officers are authorized and empowered to do all other acts and execute and deliver all other documents and instruments as they shall deem necessary and desirable to affect the above-mentioned legal instrument.

**Resolution 9 was not voted on as quorum was lost. A meeting was scheduled for a future date to discuss further and vote.**

## **8. Environmental Infrastructure Updates and Recommendations**

### **a. Comprehensive Plan**

Agenda item 8a was moved to earlier in the meeting before Agenda item 5.

- Sara Harari summarized the themes that came from the Strategic Retreat and its effect on Environmental Infrastructure. Lonnie Reed added that one of the key takeaways from the retreat was how eager stakeholders are to work with the Green Bank, that the Green Bank has the ability to determine who the effective stakeholders are, and which partnerships should be encouraged.
- Bryan Garcia summarized the Comprehensive Plan timeline, deliverables, stakeholder engagement cycle, and the current state of the Plan’s draft. He reviewed the table of contents, areas of focus, and the formatting which effectively communicates to different audiences. He reviewed the revision to the mission statement and focus points for FY 2023.

### **Resolution #10**

**WHEREAS**, on June 23, 2021, the Connecticut General Assembly passed Public Act 21-115 (“the Act”), “AN ACT CONCERNING CLIMATE CHANGE ADAPTATION,” and on July 6, 2021, the Governor signed the Act into law expanding the scope of the Connecticut Green Bank (“Green Bank”) to include environmental infrastructure.

**WHEREAS**, on July 23, 2021, the President and CEO presented a process to develop a comprehensive plan which provides an overview of the process to be undertaken in FY22 to incorporate environmental infrastructure within its comprehensive plan which was approved by the Board.

**WHEREAS**, the President and CEO, with the assistance of a community engagement consultant, initiated a nine (9) month outreach effort with stakeholders from the public, private, nonprofit, and academic sectors, with guidance from the Department of Energy and Environmental Protection (“DEEP”), to introduce the Green Bank, discuss the Act, understand relevant public policies and targets, identifying funding opportunities, market potential, investment requirements, financing models, and metrics for environmental infrastructure that resulted in the production of several primers including environmental markets, parks and recreation, land conservation, and agriculture.

**WHEREAS**, on October 22, 2021, the General Counsel and Chief Legal Officer, with the guidance of the Audit, Compliance, and Governance Committee, sought and received approval from the Board of Directors (“the Board”) to modify various governance documents including the Resolution of Purpose, Bylaws, Operating Procedures, Ethics Statement, and Ethical Conduct Policies of the Board of Directors and Staff.

**WHEREAS**, on October 22, 2021, the Executive Vice President and Chief Investment Officer provided the Board with an overview of the Act’s improvements on the Green Bank’s new bonding capabilities including expansion to include environmental infrastructure, increase in the Special Capital Reserve Fund to \$250 million, and extending bond terms for up to fifty years for environmental infrastructure.

**WHEREAS**, on March 25, 2022, the Board approved amending the Smart-E Loan eligible improvements category to include environmental infrastructure improvements and authorizes the Deployment Committee to determine, in consultation with DEEP, the specific measures to be supported by the Smart-E Loan.

**WHEREAS**, from April 27-28, 2022, there was an offsite strategic retreat called “Confronting Climate Change in the Constitution State through Investment in Environmental Infrastructure” to engage members of the Board, staff, and key stakeholders to envision how the Green Bank would change, adapt, and grow to incorporate environmental infrastructure, including identifying specific skills required for a director to lead such programs.

**WHEREAS**, on May 10, 2022, the Governor signed Public Act 22-6, An Act Concerning the Commercial Property Assessed Clean Energy Program (“C-PACE”) into law expanding the ability of C-PACE to include resilience.

**WHEREAS**, on June 24, 2022, the Board of Directors (“Board”) of the Green Bank (“Green Bank”) approved of the annual budgets, targets, and investments for FY 2023.

**WHEREAS**, per Connecticut General Statutes 16-1245n, the Green Bank must (a) 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, and (b) develop a comprehensive plan to foster the growth, development, commercialization and, where applicable, preservation of environmental infrastructure and related enterprises.

**NOW**, therefore be it:

**RESOLVED**, that Board has reviewed and approved the position description for the Director of Environmental Infrastructure.

**RESOLVED**, that Board has reviewed and approved the Comprehensive Plan presented to the Board on July 22, 2022.

**Upon a motion made by Adrienne Houël and seconded by Laura Hoydick, the Board of Directors voted to approve Resolution 10. None opposed and Victoria Hackett abstained. Motion approved.**

The next Agenda item discussed was 5a.

## **9. Other Business**

- Bryan Garcia gave an update to the Hydrogen Study Task Force. The first meeting was held on Tuesday, July 12, 2022. The next meeting is August 8, 2022. He reviewed the current members and consultants, though members are still being appointed and onboarded.
- Bryan Garcia noted there is a site tour of Quantum Biopower scheduled for July 27, 2022 at 10:00 am.
- Lonnie Reed congratulated the Accounting Department of the Green Bank for receiving a Certificate of Achievement for Excellence in Reporting from the GFOA for the FY21 ACFR. She thanked the staff for their hard work.

## **10. Adjourn**

**Upon a motion made Lonnie Reed, the Board of Directors Meeting adjourned at 11:15 am.**

Respectfully submitted,

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Lonnie Reed, Chairperson